WTiN Textile Economics

Executive Market Report Summary 3 December 2018

Cost summary	30-Nov-18	
	US$/kg	Change on Week
Polyester		
China PSF 1.4 den	1.22	-4.29%
China FDY 50 den/24f	1.50	-3.30%
China DTY 150den/48f	1.60	-2.69%
Viscose		
China VSF 1.5 den, 38mm	1.98	1.04%
Polyamide		
China FDY 70 den/24f	3.12	-4.47%
Cotton		
Cotlook A Index	1.91	-0.23%
Wool		
AWEX EMI	13.59	0.81%
Yarn		
China Cotton combed 32s (weaving)	2.90	0.00%
China Cotton combed 40s (weaving)	3.84	-0.24%
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- 02-Nov	63.12	
WTI Crude Oil Price- 09-Nov	60.19	
WTI Crude Oil Price- 16-Nov	56.49	
WTI Crude Oil Price- 23-Nov	54.41	-3.68%

MMF market

- Polyester fibre prices moderates on lower cost and dull season

Cotton market

- Cotton Futures up on slightly lower export sales and slow US harvest

Fibre raw material market

- Acrylonitrile prices plunge / PTA and MEG sobers

Filament market

- Nylon filament prices decline as cost eases

Wool & Speciality Fibres

- Crossbred types boost market as Merino sector declines
- Coarse Crossbred Indicator goes up despite stronger NZD
- SA market drops by 1.2% as demand varies

USDA report

- USDA's Weekly Export Sales Report of week ending 22 November

Weekly Market Review – from the analyst desk

Trade war US-China agree to ceasefire at G20 summit

After a little over three months, China and the US agreed to ceasefire the bitter trade war after high-stakes discussions in Argentina between President Donald Trump and Chinese premier Xi Jinping, including no escalated tariffs on 1 January 2019. Trump will not impose tariffs on US$200bn worth of Chinese imports at 10% beginning in the New Year, agreeing not to raise them to 25%.

China agreed to purchase a substantial amount of agricultural, energy, industrial, and other product from the US with an objective to reduce the trade deficit between the countries.

The two also agreed to immediately start talks on structural changes with respect to forced technology transfers, intellectual property protection, non-tariff barriers, cyber intrusions and cyber theft, services and agriculture. Both also agreed to have this 'transaction' completed within the next 90 days. However, if this does not happen then the 10% tariffs will be raised to 25%, reports said.

In an immediate reaction, the Euro and Australian dollar rallied against the US$, encouraging investors to sell the greenback and buy riskier assets. Crude oil prices jumped over 5% ahead of a meeting this week of the OPEC that is expected to agree to cut supply.

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Price movement key: Increase Unchanged Decrease

MMF market

Man-Made Fibre Prices (ex-works) in Eastern China						
Date		30-Nov		23-Nov		
Intermediates	yuan/tonne	US$/Kilogram	yuan/tonne	US$/Kilogram	Yuan Price change (%)	US Dollar Price Change (%)
PX (FOB South Korea)		1.003		1.035		-3.16
PTA	6,370	0.917	6,558	0.945	-2.86	-2.92
MEG	5,075	0.731	5,185	0.747	-2.12	-2.18
Caprolactam	13,600	1.958	15,300	2.204	-11.11	-11.16
Acrylonitrile	10,950	1.576	11,400	1.642	-3.95	-4.00
PET	10,430	1.501	10,830	1.560	-3.69	-3.75
Polyester filament						
FDY 50 den/24f	10,450	1.504	10,800	1.556	-3.24	-3.30
DTY 50 den/72f	15,150	2.181	15,550	2.240	-2.57	-2.63
DTY 150 den/48f	11,105	1.599	11,405	1.643	-2.63	-2.69
POY 150 den/48f	8,330	1.199	8,730	1.257	-4.58	-4.64
FDY 150 den/96f	9,060	1.304	9,260	1.334	-2.16	-2.22
Polyamide 6 filament						
FDY 70 den/24f	21,650	3.117	22,650	3.263	-4.42	-4.47
Staple fibre						
Polyester 1.4 denier 38 mm	8,490	1.222	8,865	1.277	-4.23	-4.29
Viscose 1.5 denier, 38mm	13,770	1.982	13,620	1.962	1.10	1.04
Acrylic 1.5 denier, 38 mm	16,200	2.332	17,500	2.521	-7.43	-7.48

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
7-Nov	1.30	1.65	1.80	1.90
14-Nov	1.30	1.65	1.80	1.90
21-Nov	1.30	1.65	1.80	1.90
28-Nov	1.30	1.65	1.80	1.90

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Filament market
Wool & Speciality Fibres
USDA report

Price movement key: Increase Unchanged Decrease

Polyester fibre prices moderates on lower cost and dull season

Polyester staple fibre markets were quiet across China, India and Pakistan this week, with no change in pricing reported despite sharp fall in the cost of raw material. However, run rates were still high and, with tepid demand, fundamentals lacked strength. In China, on the back of lower PTA and plunging crude oil, the PSF market was stable to soft and some makers cutting down high-end offers. However, mainstream offers and discussions for 1.4D direct-melt-spun PSF in Jiangsu and Zhejiang remained changed. In Pakistan, polyester the fibre market in Karachi was stable to soft and producers offers generally rolled over after past two straight weeks of reduction of more than 10%. In India, the polyester fibre market turned soft to stable after prices were cut for remaining November. Given the sharp fall in cost, polyester fibre makers are likely to make a supplementary price cut in the coming weeks.

In China, offers for 1.4D direct-melt PSF rolled over at 8.95-9.15 Yuan a kg (US$1.29-1.32 a kg) in Jiangsu and Zhejiang while the same in Fujian and Shandong were US$1.30-1.33 a kg. Export offers also declined by another US cents 5 to around US$1.20-1.23 a kg FOB China. In Pakistan, 1.4D PSF producers' offers were steady at PakRs.184-186 a kg (US$1.37-1.38 a kg). In India, PSF offers rolled over with 1.2D at INR92.25 a kg (US$1.28 a kg) and 1.4-2D at INR91.50 a kg or US$1.27 a kg, both up US cent 1 due to stronger currency.

Nylon

Prices of staple fibre declined sharply as market was under heavy pressure, while demand was lusterless. 1.5D prices were at 17.00-18.50 Yuan a kg (US$2.45-2.68 a kg, down US cents 22).

Acrylic

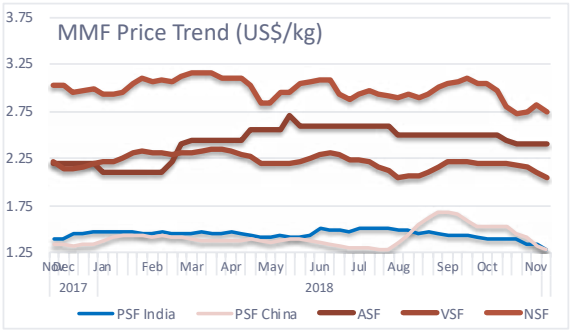
Acrylic staple fibre prices continued to trend down in China as acrylonitrile cost has been on continuous slide while supply increased when demand was hard to improve. Prices in other markets of India and Pakistan rolled over but they moved either ways in US$ terms depending on their currency movement. In China, the domestic market was silent, amid moderate demand. However, run rate increased to 50% during the week, indicating rising supply, as many units restarted, while some others reduced production. Overall demand is unlikely to improve in the near term, and downstream users will follow up in a measured way while participants will keep track of movement in upstream sectors.

Taiwan origin 3D bright ASF tow offers remained flat at US$2.40-2.45 a kg while offers in China for medium-length and cotton-type acrylic fibre declined sharply to 16.20-16.40 Yuan a kg (US$2.34-2.36 a kg, down US cents 19). In Pakistan, 1.2D ASF prices were unchanged in Karachi market at PakRs.345 a kg (US$2.48 a kg, down US cents 8 due to weak currency). In India, producers' offers rolled over at INR187.50-199 a kg (US$2.69-2.86 a kg, up US cents 6 due to strong INR).

Viscose

Viscose staple fibre markets were stable in China, India and Pakistan week amid quiet atmosphere. In China, following large trades in previous weeks, producers were mostly engaged in fulfilling previous orders this week, and fresh deals were mostly in small lots. Prices for medium-end and high-end goods inched up on firming downstream demand, although upstream cost eased a bit. In India, producers' offer rolled over this week but are revised down for December, seeing cost easing and INR strengthening against the US$. In Pakistan, the viscose fibre market was quiet following a fall in cotton prices. Going ahead, players will focus on dissolving pulp market, as well as the fresh downstream demand.

In China, spot offers rose on the week with 1.5D VSF at 13.89 Yuan a kg (US$2 a kg, up US cents 2) and 1.2D to 14.09 Yuan a kg (US$2.03 a kg, up US cents 2). In Pakistan, offers for 1.5D VSF rolled over at PakRs270-273 a kg (US$1.94-1.97 a kg, down US cents 7 due to weak currency) in Karachi. In India, 1.2-2.0D VSF prices rolled over at INR150-200 a kg (US$2.15-2.87 a kg, up US cents 5-6 due to stronger INR).



Price movement key: Increase Unchanged Decrease

Cotton market

ICE futures (New York)				ZCE futures			
No.2 contract (US cents/lb)				No. 1 contract (RMB/tonne)			
	30-Nov	23-Nov	Change		30-Nov	23-Nov	Change
Dec	77.16	74.92	2.24	Jan	14,510	14,905	-395
Mar	78.91	77.22	1.69	Mar	14,830	15,215	-385
May	79.95	78.49	1.46	May	15,090	15,435	-345
Jul	81.00	79.71	1.29	Jul	15,270	15,710	-440
Oct	78.02	77.15	0.87	Sep	15,560	15,990	-430
Dec	77.03	76.55	0.48	Nov	15,800	15,800	0.00

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)		
30-Nov	23-Nov	Change	30-Nov	23-Nov	Change
86.55	86.75	-0.20	8,650	8,800	-150

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)		
30-Nov	23-Nov	Change	30-Nov	23-Nov	Change
15,423	15,508	-85	44,000	44,900	(900)

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)		
30-Nov	23-Nov	Change
75.92	76.38	-0.46

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 30 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			0.0	0.0		0.0		
	40s	2.95						0.0					
Combed	20s		2.77		2.87				0.0		0.0		
	26s		2.85		2.99				0.0		0.0		
	30s		2.90		3.03				0.0		0.0		
	34s		3.03		3.16				0.0		0.0		
	40s		3.25		3.36				0.0		0.0		
Compact combed	30s	3.08		3.14	3.04			0.0		0.0	0.0		
	40s	3.30		3.44	3.39	3.36		0.0		0.0	0.0	0.0	
	60s	3.90		4.50	4.50	4.40		0.0		0.0		0.0	
	80s			5.40	5.40	5.30				0.0		0.0	

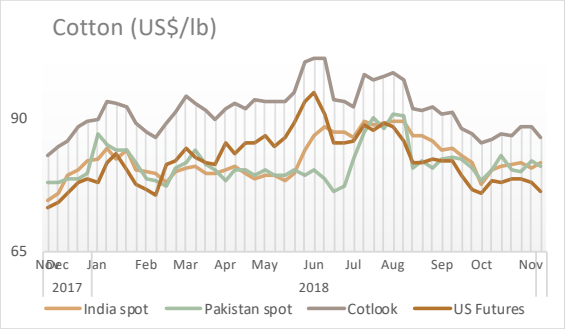
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Price movement key: Increase Unchanged Decrease

Cotton Futures up on slightly lower export sales and slow US harvest

Cotton Futures were up on slightly lower export sales reported by USDA and some positioning before the G-20 meetings weekend. The market remained in a short-term trading range, but appeared that bottom is being formed once again. The final size of the US crop seems to be getting smaller with reduced and delayed harvest activities.

The USDA showed that there is still a lot to be harvested in its final crop updates for the season. Reports also suggest that the harvest pace is poor. Most of the delays have been in Texas due to too much rain, but some delays in the Southeast have also been reported. The delayed harvest could cause yield and quality losses. The lower quality could serve to limit export interest for the US at a time when demand is hurting due to the loss of the China business. On the ICE, certified stocks were at 145,635 bales. Four notices are posted against December contracts and that total deliveries for the month are now 670 contracts.



Nearby December contracts inched up US cents 2.24 week-on-week to close at US cents 77.16 per pound, while March was up US cents 1.69 to close at US cents 78.91, narrowing the premium over front month to US cents 1.75. December 2019 inched up US cent 0.48 to close at US cents 77.03 per pound.

Global spot benchmark, the Cotlook A index, edged down US cent 0.20 week-on-week to close at US cents 86.55 per pound.

In China, cotton spot market extended weakness, with thin liquidity of both fresh spot cotton. There were some on-call deals of cotton of marketing year 2017-18 at discounts to spot prices. The China Cotton Index continued to retreat this week by 85 yuan, to close at 15,423 a ton (US cents 101 a pound).

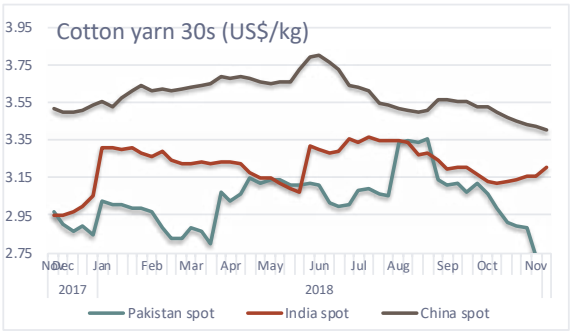
In Pakistan, the downward trend in cotton prices continued during the week but came to an end on weekend as prices slightly rebounded on expectations of higher yarn exports and rise in cotton prices in coming weeks. A steep fall in the PakRe against the dollar is expected to give some competitive edge to Pakistani textiles including cotton yarn in the global market. According to reports. cotton crop is unlikely to more than 10.5 million bales, less than 1 million bales from last season. This implies huge deficit of around 4.5 million bales which would have to be imported. The Karachi Cotton Association spot rates were revised downward by PakRs150 to PakRs8,810 per maund, ex-Karachi.

In India, spot cotton prices declined across many varieties with few posting gains during the week. Arrivals have started gaining pace seeing prices falling as farmers were rushing to sell off before prices move down further. Meanwhile, cotton yield has hit a three-year low on massive crop damage with droughts in Maharashtra and Gujarat, the major cotton growing states. The Cotton Advisory Board, in its first estimate released this week, forecasts the yield to decline to 501.47 kg per hectare for 2018–19 season from 506.07 kg the previous year. It has estimated cotton output at 36.1 million bales for 2018-19 compared with 37 million bales in the previous year.

Cotton yarn

Cotton yarn markets in China moved down from stability, and deals were mainly concluded for 32s and 40s combed yarn. Producers offered for 40s and 20s combed flat on the week while offers for 21s and 32s were slightly reduced to push out volumes. However, most producers offered discounts during discussion of firm deals. In Pakistan, yarn markets in Karachi and Faisalabad saw downward correction in cotton yarn prices this week. However, the markets expect higher cotton yarn exports, which will in return trigger demand in the domestic market. However, experts believe that the gain would be short-lived since some estimates pegged imported component in exports to be higher up to 50%. In India, falling cotton prices restricted any movement in yarn prices while stronger currency made export a bit difficult.

In China, 32s cotton yarn prices edged down to 23.45 yuan a kg (US$3.38 a kg, down US cents 2) while 40s were flat at 24.60 yuan a kg (US$3.55 a kg). Coarser yarn prices of 21s declined to 18.70 yuan a kg (US$2.70 a kg, down US cents 2), while 21/2s moderated to 21.20 yuan a kg (US$3.06 a kg down US cents 2). In Pakistan, 30s carded prices in Karachi were stable at PakRs172-178 per pound (US$2.73-2.82 a kg, down US cents 9 due to weak currency), while 32s cone in Faisalabad eased PakRs2.50 at the lower end to PakRs160-177.50 per pound (US$2.54-2.82, down US cents 13). In India, 30s carded cotton yarn for knitting were stable at INR230 a kg (US$3.30 a kg, up US cents 7 due to strong INR) in Coimbatore, while export offers were flat at US$2.90 a kg.



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Price movement key: Increase Unchanged Decrease

Fibre raw material market

Yuan/mt	China Grey Fabric				
	CGOE10 Denim 10*10 72*40 59"/60" Indigo	CG C32 Cotton Twill 32*32 130*70 47"	CG JC40 Combed Cotton 40*40 133*72 67"	CG R30 Rayon 30*30 68*68 63"	CG T/C45 Polyester/Cotton (65:35) 45*45 110*76 63"
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
09/11/2018	9.322	5.715	7.984	4.450	4.720
16/11/2018	9.322	5.715	7.984	4.450	4.720
23/11/2018	9.322	5.715	7.984	4.450	4.720
30/11/2018	9.322	5.715	7.984	4.450	4.720

Acrylonitrile prices plunge / PTA and MEG sobers

Polyester input: MEG

Mono ethylene glycol prices in Asia were softer opening the week but regained midweek only to fall at the weekend and posted a slight increase week-on-week amid weak sentiment and bearish macroeconomic conditions. The decline was, however, limited by slightly stabilising crude oil values and sporadic offers. Trades were limited, given the price gap between buying and selling indications. Meanwhile, inventories in east China decreased 2.7% to 658 kilo ton, on delayed cargo arrivals due to inclement weather. In Europe, spot prices were stable given the Rhine river logistical issues. In the US, contracts softened for the second month in a row as supply outweighed demand, setting the stage for a bearish end to the year. Seasonality, reduced exports and healthy production exerted downward pressure on spot markets. Demand from polyethylene terephthalate also decreased, with sentiment in the US and Latin American PET markets under pressure from more offers of competitively priced Asian material. Demand from the antifreeze and deicing sector picked up as colder weather set-in across the country.

MEG spot benchmark inched up US$3 week-on-week, despite rising US$10 midweek, with CFR China at US$675-680 a ton and CFR South East Asia flat at US$700 a ton. Bids for December shipments were at US$675 a ton CFR China Main Port against offers at US$685-688 a ton CFR CMP. In Europe, bulk prices were at Euro745-760 a ton CIF NEW and truck prices at Euro820-840 ton FCA NWE. In the US, November contracts were assessed at a decrease of US cents 4, pegged prices in the range of US cents 36.5-42.5 per pound FOB. Domestic spot prices were quoted in the mid-US cents 30s per pound (US$661 a ton) for barge material and at upper-US cents 30s per pound for rail/truck material.

Polyester input: PTA

Purified terephthalic acid markets were apparent poised to set up a bottom at the moment in Asia unless there are more unfavorable factors in macroeconomic market. However, a change on market trends will not appear until some substantial improvement emerges in demand. In China, plants have been operating at reduced rates due to weaker margins. In October-November, PTA production loss due to lower operation was estimated at 903,000 ton. European markets were calm with no change in sentiment and players awaited Rhine river logistic constraints to resolve soon. In the US, purified terephthalic acid demand was weak because of seasonal downturn and weak margins.

Asian PTA markers the CFR China edged down US$1 on the week to US$839-841 a ton while offers from Taiwan/Korea was flat at US$850-880 a ton. In China, offers for bonded goods were cut to US$840-895 a ton and discussions for nearby-month cargoes were at US$840-860 a ton. Yisheng Petrochemical's daily prices fell to US$895 a ton while that of Hengli Petrochemical's fell to US$840 a ton. In Europe, the November PTA contract price were in the range of Euro837-871 ton FD NWE. In the US, October prices were assessed at US cents 60.10 per pound DEL USG.

Caprolactam

Caprolactam spot and contract markets trended down across Asia and Europe this week. In Asia, prices plunged amid thin demand as mainstream values for liquid and flake materials in China declined sharply while they were soft in FE and SE region. Trading was insipid as downstream buying was on need-basis amid sidelined stance. Sinopec settled its November contract price lower than October due to falling feedstock prices and ample availability. Taiwan's CPDC also settled its December contract price lower November amid falling upstream phenol values and weak downstream demand in a warm winter. In Europe, caprolactam November contracts settled at varying decreases on the back of a drop in the monthly price for feedstock benzene. There were firm negotiations in nylon 6 market for lower prices. Earlier there were attempts from producers to maintain healthier margins, but pressure in nylon market resulted in some decreases.

Asian caprolactam prices declined US$30-50 on the week, with SE and FE Asia markers at US$1,950-2,020 a ton. In China, spot prices for liquid goods plunged to 13,300-13,800 yuan a ton (US$1,920-1,990 a ton, down US$245) while flake goods fell to 13,800 yuan a ton (US$1,990 a ton, down US$320). Sinopec nominated December contract price at 15,300 a ton (US$2,205 a ton, down US$215) from November. Taiwan's CPDC settled its December contract price US$240 a ton lower from November at US$1,910 a ton CFR NE Asia. In Europe, November contract prices were assessed at decreases of Euro8 at the lower end and Euro15 at the higher end at Euro2,256-2402 a ton FD NWE.

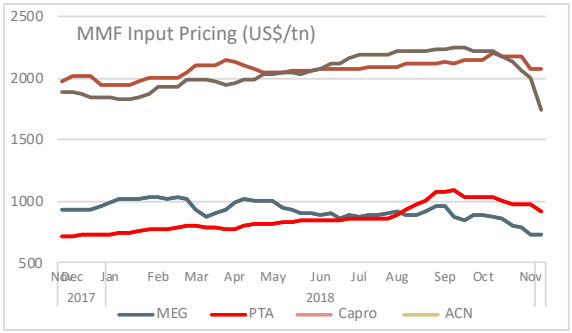
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Price movement key: Increase Unchanged Decrease

Acrylic input: Acrylonitrile

Acrylonitrile markets extended the declining trend this week as demand continued to weaken while upstream propylene values continued their south-bound march. In Asia, spot prices fell on a stable-to-weak sentiment and offers were reduced, while suppliers rolled over offers in a quiet market. End-users bought hand-to-mouth volume in expectation of stable sentiment. In China, both PetroChina Fushun and PetroChina Jilin Petchem lowered their settlement and offer price citing plunge in spot prices due to the soft demand from the acrylic fibre sector. In Europe, spot prices continued their slide for another week, pressured by ongoing falls in Asia while buyers have been calling for lower spot levels. In the US, November contracts fell as propylene contracts settled at a decrease. Despite lower contract settlements, inventories remained constrained amid expectations that demand will rebound in 2019.

The Asian acrylonitrile Far East CFR marker plunged US$100 to US$1,599-1,601 a ton while CFR China was down US$100 at US$1,550-1,650 a ton. In China, self-lifting values at Lianyungang port lost US$70 at US$1,590-1,615 a ton.



PetroChina Fushun Petrochemical lowered its November settlement price to 10,500 yuan a ton (US$1,511 a ton, down US$45), while PetroChina Jilin Petrochemical lowered its offer price to 12,000 Yuan a ton (US$1,730 a ton, down US$144). In Europe, spot prices collapsed US$172 to US$1,448-1,152 a ton CIF Mediterranean. In the US, spot export prices also fell US$100 to US$1,520-1,530 a ton FOB USG. November domestic contracts also decreased to US cents 69.76-73.76 per pound (US$1,538-1,626 a ton) DEL USG.

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Filament market

Chinese Spun Yarn Prices (ex-warehouse terms)						
Qianqing Raw Materials Market					% Change in Yuan	% Change in US Dollar
	30-Nov		23-Nov			
	yuan/tonne	US$/kg	yuan/tonne	US$/kg		
Polyester 32s	13,650	1.965	13,800	1.988	-1.09	-1.14
Viscose 30s	19,180	2.761	19,180	2.763	0.00	-0.06
Poly/cotton 32s	18,700	2.692	18,800	2.708	-0.53	-0.59
Poly/viscose 40s	19,600	2.822	19,700	2.838	-0.51	-0.56
Prices from Anhui					% Change in Yuan	% Change in US Dollar
	30-Nov		23-Nov			
	yuan/tonne	US$/kg	yuan/tonne	US$/kg		
Cotton carded 32s	23,500	3.383	23,600	3.399	-0.42	-0.48
Cotton combed 32s	23,350	3.361	23,450	3.378	-0.43	-0.48
Cotton carded 40s	25,000	3.599	25,000	3.601	0.00	-0.06
Cotton combed 40s	26,650	3.836	26,700	3.846	-0.19	-0.24

Pakistan: Karachi Cone Cotton Yarn Market (Wholesale price)						
Cone	Friday, November 30, 2018		Friday, November 23, 2018		PKR % change	USD % change
	Mean PKR per 10lb	US$ per kg	Mean PKR per 10lb	US$/kg		
Carded 10/1	1,310	2.079	1,310	2.150	0.00	-3.30
Carded 40/1	2,200	3.492	2,200	3.611	0.00	-3.30
Carded 22/1	1,510	2.397	1,510	2.478	0.00	-3.30
Carded 30/1	1,765	2.801	1,765	2.897	0.00	-3.30
Combed 20/1	1,585	2.516	1,585	2.602	0.00	-3.30
Combed 40/1	2,300	3.650	2,300	3.775	0.00	-3.30
Source: Brecorder , X-Rates						

Nylon filament prices decline as cost eases

Polyester

Polyester filament yarn prices moved down in China this week, on the back of falling crude oil and range-bound PTA futures. Trading atmosphere was dull, as downstream mills generally adopted wait-and-watch stance, without any plans to stock up materials at the moment. In Shengze, selling indications for POYs, DTYs and FDYs were reduced while other regional markets followed through. In Pakistan, given the sharp fall in the PakRe and falling crude prices, local DTY offers were adjusted down in line with imported goods. Downstream mills were cautious, resulting in lukewarm trading atmosphere. In India, POY offers were stable, with still lackluster atmosphere. Downstream mills barely maintained run rates. Given the fluctuations of crude oil and feedstock, PFY offers will remain in moderation in coming week while most producers will focus on liquidating volumes.

In China, POY offers fell US cents 6 in Shengze with 75/72 at US$1.28-1.30 a kg and 75/36 to US$1.27-1.28 a kg. In India, POY offers rolled over in INR term and up US cents 3 in US$ term due to strong currency, with 115/108 at INR100 a kg or US$1.44 a kg and 130/34 POY at INR92 a kg or US$1.32 a kg. In China, 75/72 intermingled DTY prices fell US cents 7 to US$1.76-1.77 a kg and 75/36 to US$1.74-1.76 a kg. In Pakistan, selling indications for local were lowered PakRs3 or US cents 11 for 300/96 DTY intermingled to PakRs115 a kg (US$1.82 a kg) while imported goods were stable at PakRs116 (US$1.84 a kg). In China, FDY offers were cut US cents 4 for 50/24 at US$1.43-1.44 a kg and 150/96 FDY by US cents 3 to US$1.25-1.27 a kg.

Nylon

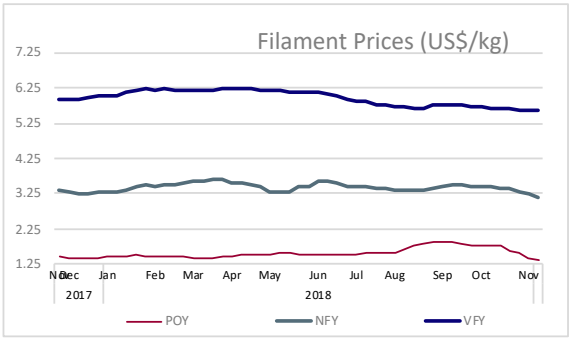
Nylon filament yarn prices declined sharply in Asian markets as upstream cost of caprolactam and nylon chip almost collapsed this week. In China, downstream converters operated at lower run rates and purchasing volume of FDY, DTY and POY were based on rigid demand. Warp knitting mills and covering mills ran at 60%, while circular knitting and lacing mills were operating at 40%. Nylon-6 FDY prices dipped on softening chip market and low downstream demand while liquidity of full-dull FDY was thin. Demand from terminal sectors was thin, and market dipped on falling feedstock cost. Nylon-6 DTY market was weak on low

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feedstock cost while downstream demand was tepid. Nylon filament prices rolled over in India while strong currency pegged values up in US$ terms.

In China, offers for nylon FDY70D/24F SD plummeted to 20.50-21.50 Yuan a kg (US$2.95-3.10), while DTY70D offers fell to 22.00-23.50 Yuan a kg (US$3.17-3.39 a kg) both down US cents 15. Cord fabric 1,260D offers declined to 25.50-26.50 Yuan a kg (US$3.68-3.82 a kg, down US cents 7) while mono filament 30D prices fell to 22.00-23.00 Yuan a kg (US$3.17-3.32 a kg, down US cents 12). In India, 20 SD filament prices were steady on the week at INR310 a kg (US$4.45 a kg, up US cents 10 due to strong currency) in Surat market.



Viscose

Viscose filament yarn prices were largely stable in India and China, but market liquidity was still modest. In China, reportedly mills in Dongguan and Shaoxing were planning for holidays in advance, while downstream mills generally suffered heavy pressure of reclaiming funds. Thus, some mills only bought small volumes of viscose filament. Price-wise, offers for first-class, second-class and third-class VFY 120D were seen rolling over but trading prices partly eased, due to slow liquidity. In India, strong currency pegged values significantly up in US$ terms while they rolled over in INR terms. Overall, given the approaching year end, demand for viscose filament weakened, resulting in slow liquidity. Thus, prices are expected to remain range bound on a weak note in coming weeks.

In China, offers for viscose filament 120D bright were unchanged at 38.80 Yuan a kg (US$5.59 a kg), and dull at 38.45 Yuan a kg (US$5.54 a kg). 300D bright prices rolled over at 29.20 Yuan a kg (US$4.21 a kg) and dull at 25.70 Yuan a kg (US$3.71 a kg). In India, VFY prices were steady in INR and up US cents 7-12 in US$ terms due to strong currency, with 100D bright VFY at INR388 a kg (US$5.57 a kg) and 450D at INR 225 a kg (US$3.23 a kg).

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Wool & Speciality Fibres

Wool							
Australia				**South Africa**			
AWEX EMI (cents/kg)				Cape Wools Merino Indicator (cents/kg)			
	29-Nov	22-Nov	change		28-Nov	21-Nov	change
A$	1,860	1,858	0.11%	Rand	20,771	21,012	-1.15%
US$	1,361	1,347	1.04%	US$	1,489	1,500	-0.73%
New Zealand				**United Kingdom**			
NZ Wool Services Indicators	Coarse Crossbred (cents/kg)			British Wool Fleece Indicator (clean)			
	29-Nov	22-Nov	change		20-Nov	6-Nov	change
NZ$	289	287	0.70%	pence/kg	139	141	-1.42%
US$	199	196	1.53%	US cents/kg	179	185	-3.24%
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		
	19-Nov	30-Nov
Chinese Cashmere (dehaired)		
White		
Hosiery 38mm	140.00	140.00
Weaving 32mm	134.00	134.00
Brown		
Hosiery 38mm	130.00	130.00
Weaving 32mm	126.00	126.00
Mongolian Cashmere (dehaired)		
Brown	108.00	108.00
Light Grey	108.00	108.00
Afghan/Iranian Cashmere (dehaired)		
White	101.00	101.00
Fawn	99.00	99.00
Dark Brown	99.00	99.00
Alpaca Tops		
White		
Baby (BL)	NQ	NQ
Fine Spinning (FS)	NQ	NQ
Adult (AG)	NQ	NQ
Camel Hair (dehaired)		
Super-baby	49.00	50.00
Medium baby	NQ	NQ
Adult	47	48
Silk		
Mulberry Sliver	47	47
Mulberry Noil	24	24
Tussah Sliver	33.5	33.5
Tussah Noil	23	23
Source: The Schneider Group		

Crossbred types boost market as Merino sector declines

By Jonathan Dyson

The Australian wool market experienced a disappointing week following last week's strong increases. A small lift in the Australian Wool Exchange (AWEX) Eastern Market Indicator (EMI) was largely driven by substantial rises among the crossbred types, as the Merino fleece sector generally recorded losses. More

Coarse Crossbred Indicator goes up despite stronger NZD

By Jonathan Dyson

The New Zealand wool market lifted this week despite a stronger local currency. More

SA market drops by 1.2% as demand varies

By Jonathan Dyson

The South African wool market traded slightly lower at this week's auction, held on 27-28 November, with the Cape Wools Merino Indicator decreasing by 241 points (1.2%) to close at a value of R207.71/kg (clean). The Cape Wools All Wool Indicator fell by 1%. More

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USDA's Weekly Export Sales Report of week ending 22 November

The Weekly Export Sales Report of week ending 22 November showed that net sales of 176,800 RB for 2018-19 were down 16% from the previous week, but up noticeably from the prior 4-week average. Increases were reported for Vietnam (92,400 RB, including 200 RB switched from Japan), Pakistan (27,800 RB, including decreases of 2,200 RB), India (17,400 RB), Japan (11,400 RB, including 200 RB switched from Thailand and decrease of 800 RB), and Turkey (11,000 RB).

Reductions were reported for China (7,500 RB), Thailand (3,700 RB), and Costa Rica (700 RB). For 2019/2020, net sales of 14,200 RB were reported for Portugal (11,000 RB), South Korea (2,900 RB), and Japan (300 RB).

Exports of 126,100 RB were down 16% from the previous week and 4% from the prior 4-week average. Exports were primarily to Vietnam (32,900 RB), China (19,200 RB), Pakistan (10,800 RB), Mexico (10,100 RB), and Indonesia (9,200 RB). Net sales of Pima totaling 21,300 RB for 2018-19 were down 18% from the previous week, but up 15% from the prior 4-week average.

Increases were reported for China (10,600 RB, including decreases of 400 RB), India (5,300 RB, including decreases of 1,300 RB), Peru (2,000 RB), Pakistan (1,800 RB), and Thailand (1,100 RB).

Exports of 9,800 RB were up 86% from the previous week and up noticeably from the prior 4-week average. The destinations were primarily to China (3,500 RB), India (2,900 RB), and Vietnam (2,900 RB).

Optional Origin Sales:
For 2018-19, the current outstanding balance of 900 RB is for Vietnam.

Exports for Own Account:
The current exports for own account outstanding balance is 6,800 RB, all China.

U.S. Export sales week ending 22 November 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	7,165.8	7,456.4	1,942.1	993.3	311.3	356.4	27.6	19.7
Unknown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	7,165.8	7,456.4	1,942.1	993.3	311.3	356.4	27.6	19.7
Optional Origin	0.9	16.5	0.0	0.0	0.0	0.0	0.0	0.0
Accumulated Exports	2,527.5	2,189.7			90.9	90.9		
Exports For Own Acct	6.8	56.4			0.0	0.0		
Net Change In Sales	176.8	276.5	14.2	52.8	21.3	8.6	0.0	0.0

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