WTiN Textile Economics

Executive Market Report Summary 10 December 2018

Cost summary	07-Dec-18	
	US$/kg	Change on Week
Polyester		
China PSF 1.4 den	1.28	4.56%
China FDY 50 den/24f	1.55	2.92%
China DTY 150den/48f	1.64	2.81%
Viscose		
China VSF 1.5 den, 38mm	2.00	1.06%
Polyamide		
China FDY 70 den/24f	2.93	-6.01%
Cotton		
Cotlook A Index	1.92	0.81%
Wool		
AWEX EMI	13.35	-1.77%
Yarn		
China Cotton combed 32s (weaving)	2.90	0.00%
China Cotton combed 40s (weaving)	3.87	0.80%
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- 09-Nov	60.19	
WTI Crude Oil Price- 16-Nov	56.49	
WTI Crude Oil Price- 23-Nov	54.41	
WTI Crude Oil Price- 30-Nov	50.78	-6.67%

Weekly Market Review – from the analyst desk

Output cuts agreed to support flagging oil markets
On Friday, OPEC and its allies led by Russia agreed to implement 1.2 million barrels per day (b/d), pumping cuts from January 2019 to shore up flagging oil markets and prevent supply glut. The result came as a relief to Saudi Arabia, which had strongly advocating cuts, but saw several OPEC members – notably geopolitical rival Iran – demanding for exemptions that threatened to undermine the deal. The kingdom had to relent on exemptions for Iran, Libya and Venezuela. OPEC would cut 800,000 b/d under the deal, or 2.5% of production for each member, with the 10 non-OPEC partners slashing 400,000 b/d, or 2%.

The cuts – using October as the baseline level, will last for six months, through the end of June. The 24-country OPEC/non-OPEC coalition will meet in Vienna again in April to assess the progress amid concern over the health of the global economy and the impact of trade wars on demand.

OPEC and its allies were forced into action by the slump in crude prices since October when Brent was trading at US$86 per barrel. The benchmark had fallen below US$60 a barrel this week before rebounding following the decision on Friday.

Nitin Madkaikar
Price Analyst

MMF market

- Polyester fibre rebounds / viscose stable to up

Cotton market

- India may see crop size at nine-year low this season

Fibre raw material market

- Acrylonitrile rebounds / PTA and MEG inch up

Filament market

- Polyester filament regains / Nylon filament declines further

Wool & Speciality Fibres

- Market suffers as crossbred types see big corrections
- Coarse Crossbred Indicator falls by 1.7%
- Market eases slightly as fluctuations in rand continue
- Stronger rand and lower quality pushes market down

USDA report

- USDA's Weekly Export Sales Report of week ending 29 November

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Price movement key: Increase Unchanged Decrease

MMF market

Man-Made Fibre Prices (ex-works) in Eastern China						
Date		7-Dec		30-Nov		
Intermediates	yuan/tonne	US$/Kilogram	yuan/tonne	US$/Kilogram	Yuan Price change (%)	US Dollar Price Change (%)
PX (FOB South Korea)		1.068		1.003		6.48
PTA	6,865	0.998	6,370	0.917	7.77	8.84
MEG	5,315	0.773	5,075	0.731	4.73	5.77
Caprolactam	14,000	2.035	13,600	1.958	2.94	3.96
Acrylonitrile	11,500	1.672	10,950	1.576	5.02	6.06
PET	10,855	1.578	10,430	1.501	4.07	5.10
Polyester filament						
FDY 50 den/24f	10,650	1.548	10,450	1.504	1.91	2.92
DTY 50 den/72f	15,350	2.232	15,150	2.181	1.32	2.32
DTY 150 den/48f	11,305	1.644	11,105	1.599	1.80	2.81
POY 150 den/48f	8,530	1.240	8,330	1.199	2.40	3.41
FDY 150 den/96f	9,260	1.346	9,060	1.304	2.21	3.22
Polyamide 6 filament						
FDY 70 den/24f	20,150	2.929	21,650	3.117	-6.93	-6.01
Staple fibre						
Polyester 1.4 denier 38 mm	8,790	1.278	8,490	1.222	3.53	4.56
Viscose 1.5 denier, 38mm	13,780	2.003	13,770	1.982	0.07	1.06
Acrylic 1.5 denier, 38 mm	16,200	2.355	16,200	2.332	0.00	0.99

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
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
5-Dec	1.30	1.65	1.80	1.90

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

Price movement key: Increase Unchanged Decrease

Polyester fibre rebounds / viscose stable to up

Polyester staple fibre makers hiked offers in China this week as US-China trade tension eased, feedstock prices firmed up and the market saw increased transaction volumes. Mainstream offers and discussions for 1.4D direct-melt-spun in Jiangsu and Zhejiang were raised although downstream buying was rational. In Shandong and Fujian offers were raised after they were dragged down by declining crude oil earlier, but buying interest cooled down slightly. In India, polyester fibre offers were cut for December by major producers seeing reduced cost in November and poor buying interest despite reductions in November. In Pakistan, producers' offers for polyester fibre were raised this week after they were cut significantly in mid-November. However, downstream buying was still modest. Overall, markets are expected to warm up in the short-run.

In China, offers for 1.4D direct-melt PSF were hiked to 8.90-9.05 Yuan a kg (US$1.30-1.32 a kg, up US cents 6) in Jiangsu and Zhejiang while the same in Fujian and Shandong gained US cents 5 to US$1.30-1.33 a kg. Export offers were also up US cents 2 to around US$1.22-1.25 a kg FOB China. In Pakistan, 1.4D PSF producers' offers were hiked PakRs3 to PakRs.187-189 a kg (US$1.34-1.35 a kg, up US cent 1). In India, PSF offers were reduced INR 8 with 1.2D to INR84.25 a kg (US$1.19 a kg) and 1.4-2D to INR83.50 a kg or US$1.18 a kg, both down US cents 13 also due to weak currency.

Nylon

Nylon-6 staple fibre 1.5D was down at the upper end as production was at breakeven levels amid tepid demand. Prices in India remained steady. In China, 1.5D prices declined at the upper end to 17.00-18.00 Yuan a kg (US$2.48-2.62 a kg, down US cents 5).

Acrylic

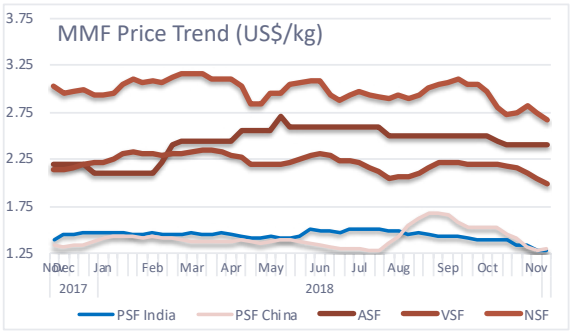
Acrylic staple fibre markets in Asia reacted to immediate and past movement in acrylonitrile prices. In China, domestic market, backed by rise in acrylonitrile, saw prices sitting steady at the moment, with a potential of rebound soon. While some users had already increased their buying, many were mainly watching feedstock movement. The industry run rate increased to 65% this week, implying rising supply, although many units were under various proportion of reductions. Downstream users showed intentions of bottoming out, as some spinners began to increase procurement, implying improved end-user demand. In India, producers' offers were cut significantly for December as acrylonitrile, India CFR benchmark declined 19% in November. In Pakistan, acrylic fibre prices remained unchanged at the moment. Moving forward, a rally in upstream sector will support for acrylic fibre prices, which may move up in the coming weeks.

Taiwan origin 3D bright ASF tow offers rolled over at US$2.40-2.45 a kg, while offers in China for medium-length and cotton-type acrylic fibre were flat at 16.20-16.40 Yuan a kg (US$2.36-2.39 a kg, up US cents 2 due to strong Yuan). In Pakistan, 1.2D ASF prices were unchanged in Karachi market at PakRs.345 a kg (US$2.47 a kg, down US cents 2 due to weak currency). In India, producers' offers were cut significantly by INR29.50 for December to INR158-169.50 a kg (US$2.24-2.40 a kg, down US cents 45 from previous levels).

Viscose

Viscose staple fibre markets was stable to firm in China, seeing mainstream offers for medium-end and high-end goods inch up from previous week. Downstream mills mainly consumed stock or followed up with small-volume procurement, as buying interest was partly boosted by the news last week of truce on trade war between China and the US. It was reported that some mainstream producers raised selling prices due to huge loss and previous overselling. In Pakistan, the viscose fibre market in Karachi was stable and prices rolled over. In India, producers reduced offers for December after prolonged period of stability. However, the impact is still not known.

In China, spot offers rose on the week with 1.5D VSF at 13.90 Yuan a kg (US$2.02 a kg, up US cents 2) and 1.2D to 14.10 Yuan a kg (US$2.05 a kg, up US cents 2). In Pakistan, offers for 1.5D VSF remained unchanged at PakRs270-273 a kg (US$1.93-1.95 a kg, down US cent 1 due to weak currency) in Karachi. In India, prices were cut INR3 a kg with 1.2-2.0D VSF prices at INR147-197 a kg (US$2.08-2.79 a kg, down US cents 7-8 also due to weak 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)			
	7-Dec	30-Nov	Change		7-Dec	30-Nov	Change
Mar	77.16	74.92	2.24	Jan	14,560	14,510	50
May	78.91	77.22	1.69	Mar	14,795	14,830	-35
Jul	79.95	78.49	1.46	May	15,165	15,090	75
Oct	81.00	79.71	1.29	Jul	15,345	15,270	75
Dec	78.02	77.15	0.87	Sep	15,630	15,560	70
Mar	77.03	76.55	0.48	Nov	15,800	15,800	0

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)		
7-Dec	30-Nov	Change	7-Dec	30-Nov	Change
87.25	86.55	0.70	8,800	8,650	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)		
7-Dec	30-Nov	Change	7-Dec	30-Nov	Change
15,402	15,423	-21	44,300	44,000	300

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)		
7-Dec	30-Nov	Change
76.42	75.92	0.5

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

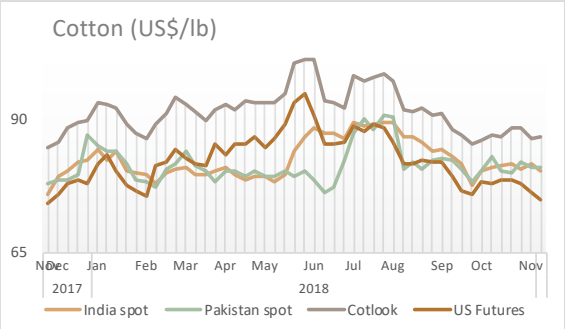
Cotton Yarn export quotations (week ended 7 December)													
		India		Bangladesh		Pakistan		% change on Week: India		Bangladesh		Pakistan	
		Weaving	Knitting	Weaving	Knitting	Weaving	Knitting	Weaving	Knitting	Weaving	Knitting	Weaving	Knitting
Open-end	10s			1.77		1.72				0.0		0.0	
	12s			1.84		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	

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

Price movement key: Increase Unchanged Decrease

India may see crop size at nine-year low this season

Cotton Futures rallied 4% in the thin nearby December, while the active March contract was up 1.7%. The USDA weekly report showed sales of all upland cotton 2018-19 down 46.3% from last week and 49.2% from last year. Overall, commodity markets remained extremely choppy to negative, as the US stock market retreated over the last several days, as all the euphoria created by the truce between US and China fizzled out quickly. For the bullish momentum to come back the levels will have to break the US cents 82 mark as the fundamentals are still bullish. The new front month active March gained US cents 1.32 or 1.7% week on week to close at US cents 80.23 per pound while May contract was up 1.5%. December 2019 inched up US cent 1 to close at US cents 78.03 per pound.



Global spot benchmark, the Cotlook A index, inched up US cent 0.70 week on week to close at US cents 87.25 per pound, having fallen US cents 1.95 on the weekend.

In China, buying prices of un-ginned cotton in Anhui province were at 6.70-6.82 Yuan a kg (US$0.98-0.99 a kg) and major selling price of lint cotton were between 14.70-15.10 Yuan a kg (US cents 97-100 per pound). Imported cotton offers for US-origin EMOT SM January-March loading inched up to 16.16 Yuan a kg (US cents 107 per pound) under sliding duties and at 15.38 Yuan a kg (US cents 102 per pound) under 1% in-quota tariff. The China Cotton Index continued to roll back this week by 21 Yuan, to close at 15,402 a ton (US cents 102 a pound). The spot market will continue to extend weakness due to lack of bullish factor in coming week.

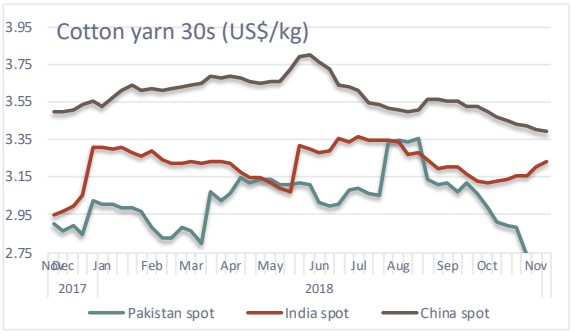
In Pakistan, cotton prices moved higher on the first two days of the week amid increased demand from some leading textile mills as they replenished their stocks, fearing costly imports. Low cotton production figures released by the ginners association earlier also had some adverse impact on the market. According to the figures, the country has produced less cotton up to 9.37 million bales as against 10.13 million in last season. This implies that cotton crop is short by 0.77 million bales or 7.6% over the last year. Some private estimates pegged requirement at around 15 million bales, which means gap of 4-4.5 million bales which have to be imported. Later the market remained stalemated until the close of the week in the absence of buying interest. The Karachi Cotton Association spot rates were up PakRs150 on the week at PakRs8,960 per maund (US cents 77.93 per pound) ex-Karachi.

In India, spot cotton prices sobered this week as arrivals started to gain pace. However, prices of finer variety cotton such as S-6, MCU-5, Surabhi and DCH-23 continued to rise by INR100-500, implying demand for better quality crop. Benchmark Gujarat Shankar-6 was traded at INR44,300 per candy (US cents 80.10 per pound), up INR300 from last week. Meanwhile, reports emerged stating that cotton output may have dropped 12% to hit a nine-year low as scanty rains in the top two producing states adversely affected crop yields and has potentially reduced exports from the world's top producer.

Cotton yarn

Cotton yarn markets in China were quiet and prices of some individual varieties were adjusted down amid stability. Demand for cotton yarn 32s and 40s was relatively better. With cotton prices moderating steadily in the domestic market, the cotton yarn market will continue to remain in correction, and prices softening in tandem. In Pakistan, cotton yarn prices were seen rising both in Karachi and Faisalabad yarn markets across count types reflecting the rise in cost in recent weeks. However, reports said that sluggish performance of cotton yarn market and uncertainty over government's policies are affecting the textile industry which is currently burdened with huge unsold yarn stocks. However, slow offtake of cotton yarn in the domestic and world market is negatively impacting cotton trading in turn. In India, cotton prices were seen rolling back as arrivals picked up, prompting yarn makers to maintain their prices at the moment.

In China, 32s cotton yarn prices edged down to 23.40 Yuan a kg (US$3.41 a kg, up US cents 3, due to strong Yuan) while 40s fell to 24.00 Yuan a kg (US$3.57 a kg, up US cents 2). Coarser yarn prices of 16s also declined to 14.60 Yuan a kg (US$2.13 a kg, up US cents 1) while 21/2s moderated to 21.10 Yuan a kg (US$3.07 a kg, up US cents 2). In Pakistan, 30s carded prices in Karachi were raised PakRs2-3 to PakRs175-180 per pound (US$2.76-2.84 a kg, up US cents 1-3), while 32s cone in Faisalabad jumped to PakRs172-180 per pound (US$2.71-2.84, up US cents 17). In India, 30s carded cotton yarn for knitting rolled over at INR230 a kg (US$3.26 a kg, down US cents 4 due to weak INR) in Coimbatore while export offers were flat at US$2.90 a kg.



Summary
MMF market
Cotton market
Fibre raw material market
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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"
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
07/12/2018	9.322	5.715	7.984	4.450	4.720

Acrylonitrile rebounds / PTA and MEG inch up

Polyester input: MEG

Monoethylene glycol markets in Asia fluctuated in weakness, and transactions were moderate this week. However, the week closed with spot prices up, as inventories along east China decreased 5% to 623 kilo ton. From levels in early November, inventories were down 10%. December deliveries were flat from spot numbers, while January deliveries were lower than spot numbers. In Europe, the monoethylene glycol market braced further declines after the steep triple-digit fall in the December ethylene contract price. Although spot prices have not reached bottom and saw extended declines during the week despite some rebound seen in Asian market earlier in the week. Players were finding it hard to see an end to falling prices and sentiment remains bearish. Meanwhile, December contracts remained inconclusive despite negotiations had gathered pace. In the US, monoethylene glycol markets were calm and both contract and domestic spot numbers rolled over.

MEG spot benchmark gained US$30 week-on-week, with CFR China at US$705-710 a ton and CFR South East Asia at US$730 a ton. In China, offers for nearby-month cargoes were at about USS725 a ton and bids at US$720 a ton. In Europe, bulk spot prices were down Euro35 at the low end and Euro25 at the high, pegging prices at Euro685-710 a ton CIF NWE. Spot prices in the truck sector were down Euro15 at both ends, bringing prices to Euro780-805 a ton FCA NWE. Fibre grade prices were heard up at Euro805 a ton FCA. In US, November contracts were assessed at US cents 36.5-42.5 per pound FOB while 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 in Asia reversed the weakening trend with favorable macroeconomic development and a sharp drop followed by a rebound on crude oil market. In China, the futures market rushed up with great momentum as paraxylene values increased sharply on the week. Offers for bonded goods and for nearby-month cargoes were also higher on the week. In Europe, purified terephthalic acid buyers were pushing back producers' targets for higher conversion fees in 2019 because of bearish markets. For PTA, despite the restart of a plant in Portugal, the regions still needs to imports it traditionally from South Korea and to a degree Mexico. In the US, November purified terephthalic acid contracts declined tracking weaker contract for paraxylene. Meanwhile, supply eased as downstream consumption of polyethylene terephthalate declined due to excess supply in global market.

Asian PTA markers the CFR China gained US$11 on the week to US$850-852 a ton, while offers from Taiwan/Korea were up US$10 at US$860-900 a ton. In China, offers for bonded goods were at US$850-890 a ton and discussions for nearby-month cargoes were at US$860-870 a ton. Yisheng Petrochemical's daily prices were at US$900 a ton while that of Hengli Petrochemical's at US$850 a ton. In Europe, November PTA contract price were in the range of Euro837-871 ton FD NWE. In US, November contracts fell to US cents 54.40 per pound (US$1,199 a ton) DEL USG from US cents 60.10 per pound DEL USG for October.

Caprolactam

Caprolactam spot prices declined to a 17-month low this week in far-east and south-east Asian markets, due to weakness and thin demand from the downstream nylon sector amid falling benzene costs. Demand from the nylon sector weakened amid narrowing production margins, with prices expected to continue on a downtrend during December. However, buyers were hopeful for a Lunar New Year 'miracle', during which prices may pick up. In Europe, discussions for December caprolactam continued but could not make progress. Meanwhile, precursor cyclohexane contract price for December fell triple digits on the back of a drop in benzene monthly contract. In the US, the cyclohexane December contract price softened to its lowest since November 2016, following the third-consecutive decrease in the monthly benzene contract settlement.

Asian caprolactam prices plunged US$150-180 on the week with SE and FE Asia markers at US$1,800-1,850 a ton. In China, spot prices for liquid goods gained at 13,700-14,200 Yuan a ton (US$1,995-2,070 a ton, up US$80) while flake goods were flat at 14,000 Yuan a ton (US$2,040 a ton). Sinopec nominated December contract price at 14,500 a ton (US$2,110 a ton, down US$95) from previous nomination. In Europe, November contract prices were assessed at Euro2,256-2402 a ton FD NWE. The contract price for December cyclohexane settled down on the month

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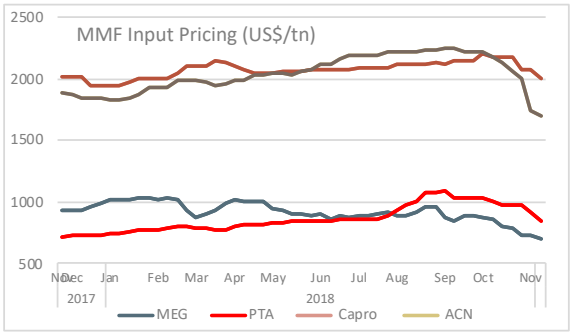
Price movement key: Increase Unchanged Decrease

at Euro707 a ton ex-works NWE. In the US, December cyclohexane settled at US cents 256 per gallon FOB US Gulf, down US cents 39 compared to the previous month.

Acrylic input: Acrylonitrile

Acrylonitrile markets in Asia continued to seek prices stability this week, with some rushing up and down and rolling over. In China, domestic spot values rose during the week, propped by upstream propylene collecting strength. Offers at port Lianyungang jumped sharply as suppliers reserved their offers to wait for clear signs of a rebound. Supply was steady while demand was on the uptick. Major producers raised their contract and spot offers citing recovery in acrylic fibre demand. ABS values also inched up. Market expect price to rise mildly in coming week due to the approaching year end. In Europe, acrylonitrile spot prices continued their nosedive for another week, falling even more steeply than their previous week's fall. Softening feedstock and slower-than-expected demand have contributed to the downward price pressure. In the US, export offers rolled over after nine weeks of fall while domestic markets were stable.

Asian acrylonitrile Far East CFR marker rolled over at US$1,599-1,601 a ton, while CFR China was steady at US$1,550-1,650 a ton. In China, self-lifting values at Lianyungang port regained US$100 at US$1,690-1,705 a ton. Sinopec Anqing increased its contract and spot offers to 11,800 a ton ex-works (US$1,720 a ton, up US$29 while PetroChina Jilin raised its offers to 10,900 Yuan a ton (US$1,590 a ton, up US$29) ex-warehouse. Prices in India were corrected down US$35-50 at US$1,565-1,600 a ton CFR. In Europe, spot prices plunged further by US$180 to US$1,268-1,272 a ton CIF Mediterranean. In the US, spot export prices rolled over at US$1,520-1,530 a ton FOB 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
	7-Dec		30-Nov			
	yuan/tonne	US$/kg	yuan/tonne	US$/kg		
Polyester 32s	13,600	1.977	13,650	1.965	-0.37	0.62
Viscose 30s	19,130	2.781	19,180	2.761	-0.26	0.73
Poly/cotton 32s	18,500	2.690	18,700	2.692	-1.07	-0.09
Poly/viscose 40s	19,600	2.850	19,600	2.822	0.00	0.99
Prices from Anhui					% Change in Yuan	% Change in US Dollar
	7-Dec		30-Nov			
	yuan/tonne	US$/kg	yuan/tonne	US$/kg		
Cotton carded 32s	23,450	3.409	23,500	3.383	-0.21	0.77
Cotton combed 32s	23,350	3.395	23,350	3.361	0.00	0.99
Cotton carded 40s	24,900	3.620	25,000	3.599	-0.40	0.59
Cotton combed 40s	26,600	3.867	26,650	3.836	-0.19	0.80

Pakistan: Karachi Cone Cotton Yarn Market (Wholesale price)						
Cone	Friday, December 07, 2018		Friday, November 30, 2018		PKR % change	USD % change
	Mean PKR per 10lb	US$ per kg	Mean PKR per 10lb	US$/kg		
Carded 10/1	1,330	2.098	1,310	2.079	0.00	-3.30
Carded 40/1	2,300	3.628	2,200	3.492	0.00	-3.30
Carded 22/1	1,550	2.445	1,510	2.397	0.00	-3.30
Carded 30/1	1,788	2.821	1,765	2.801	0.00	-3.30
Combed 20/1	1,600	2.524	1,585	2.516	0.00	-3.30
Combed 40/1	2,350	3.706	2,300	3.650	0.00	-3.30
Source: Brecorder , X-Rates						

Polyester filament regains / Nylon filament declines further

Polyester

Polyester filament yarn offers hiked in China, due to the uptrend in crude oil and feedstock sectors. Downstream buying interest turned subdued, as the mills just digested previously bought stocks. The strong Yuan also pushed values up in US$ terms. In Shengze, mainstream producer raised offer late in the week after rolling them over for most of the week. Selling indications were hiked for FDYs, DTYs and POYs by about US cents 4-5 a kg as inventory pressure eased somewhat but sales turned insipid weekend. In Pakistan, offers for DTY intermingled remained unchanged in Karachi market after they were reduced mid-November. In India, POY prices were range bound, with mild fall in US$ terms due to weak currency. Downstream mills just covered shorts, so trading atmosphere was insipid, implying weak demand.

In China, POY offers gained US cents 4 in Shengze with 75/72 at US$1.33-1.34 a kg and 75/36 to US$1.31-1.33 a kg. In India, POY offers were flat in INR term and down US cents 2 in US$ term due to weak currency, with 115/108 at INR100 a kg or US$1.42 a kg and 130/34 POY at INR92 a kg or US$1.30 a kg. In China, 75/72 intermingled DTY prices were up US cents 5 to US$1.81-1.82 a kg and 75/36 to US$1.79-1.81 a kg. In Pakistan, selling indications rolled over for local goods with 300/96 DTY intermingled at PakRs115 a kg (US$1.81 a kg) while imported goods were stable at PakRs116 (US$1.83 a kg), both down US cent 1 due to weak currency. In China, FDY offers were raised US cents 4 for 50/24 at US$1.47-1.49 a kg and 150/96 FDY to US$1.30-1.31 a kg.

Nylon

Nylon filament yarn market sentiment in China was severely dented by the lower chip market outside China and thin demand for yarn dented in domestic market. Run rates were at 70-80%, or even 50% given break-even production. In Jiangsu, lower nylon chip market weighed on the selling front, and demand was thin and margins shrank. Nylon-6 FDY market dipped to reflect weak chips, and demand from wool spinning sector was tepid and that from weaving sector was cautious. Nylon-6 DTY market headed down amid weak demand and lower feedstock, while production was slightly above break-even levels. Cord fabric 1.260D was in the range bound as demand from tire sector was

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

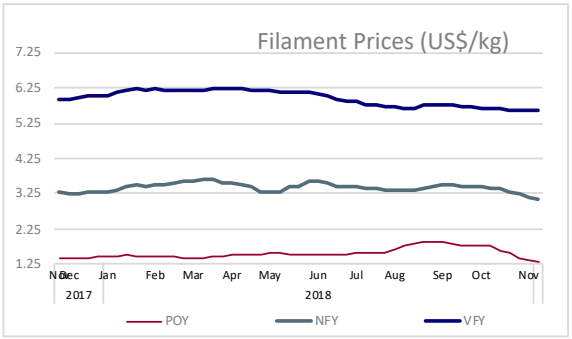
Price movement key: Increase Unchanged Decrease

stable. Monofilament prices were steady amid healthy margins. Prices in India remained steady at the moment.

In China, offers for nylon FDY70D/24F SD plummeted to 19.00-20.00 Yuan a kg (US$2.77-2.91, down US cents 19), while DTY70D offers fell to 21.50-22.80 Yuan a kg (US$3.13-3.32 a kg, down US cents 4). Cord fabric 1,260D offers were sustained at 25.50-26.50 Yuan a kg (US$3.71-3.86 a kg, up US cents 4 due to strong Yuan) while mono filament 30D prices rolled over at 22.00-23.00 Yuan a kg (US$3.20-3.35 a kg, up US cents 3). In India, 20 SD filament prices were steady on the week at INR310 a kg (US$4.39 a kg, down US cents 6 due to weak currency) in Surat market.

Viscose

Viscose filament yarn prices were largely stable in China, seeing downstream converters mostly replenish need based volumes. Price-wise, offers for first-class, second-class and third-class VFY 120D were seen rolling over in Yuan terms but up in US$ terms due to strong currency. In India, prices remained unchanged for the week but were down in US$ terms due to weak currency. Overall, given the upcoming year end, demand for viscose filament will be weak, 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 rolled over at 38.80 Yuan a kg (US$5.65 a kg), and dull at 38.45 Yuan a kg (US$5.60 a kg), both up US cent s6 due to strong currency. 300D bright prices rolled over at 29.20 Yuan a kg (US$4.25 a kg) and dull at 25.70 Yuan a kg (US$3.74 a kg), both up US cents for similar reason. In India, VFY prices were steady in INR and down US cents 4-8 in US$ terms due to weak currency, with 100D bright VFY at INR388 a kg (US$5.50 a kg) and 450D at INR 225 a kg (US$3.19 a kg).

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

Price movement key: Increase Unchanged Decrease

Wool & Speciality Fibres

Wool							
Australia				**South Africa**			
AWEX EMI (cents/kg)				Cape Wools Merino Indicator (cents/kg)			
	6-Dec	29-Nov	change		5-Dec	28-Nov	change
A$	1,849	1,860	-0.59%	Rand	20,785	20,771	0.07%
US$	1,336	1,361	-1.84%	US$	1,509	1,489	1.34%
New Zealand				**United Kingdom**			
NZ Wool Services Indicators	Coarse Crossbred (cents/kg)			British Wool Fleece Indicator (clean)			
	6-Dec	29-Nov	change		20-Nov	6-Nov	change
NZ$	284	289	-1.73%	pence/kg	139	141	-1.42%
US$	196	199	-1.51%	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		
	30-Nov	7-Dec
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	50.00	50.00
Medium baby	NQ	NQ
Adult	48.00	48.00
Silk		
Mulberry Sliver	47.00	47.00
Mulberry Noil	24.00	24.00
Tussah Sliver	33.50	33.50
Tussah Noil	23.00	23.00
Source: The Schneider Group		

Market suffers as crossbred types see big corrections
By Jonathan Dyson
At the penultimate sale of the 2018 calendar year, the Australian wool market experienced a small decline. In a complete contrast to the previous sale, this was mainly due to large losses experienced in the crossbred sector, while the Merino fleece types recorded overall gains. More

Coarse Crossbred Indicator falls by 1.7%
By Jonathan Dyson
The New Zealand wool market declined this week with most types seeing price decreases. More

Market eases slightly as fluctuations in rand continue
By Jonathan Dyson
The South African wool market ended the first half of the season unchanged at this week's auction, held on 4-5 December, with the Cape Wools Merino Indicator increasing by 14 points (0.1%) to close at a value of R207.85 (clean). The Cape Wools All Wool Indicator gained 0.1%. More

Stronger rand and lower quality pushes market down
By Jonathan Dyson
The final sale of the 2018 mohair season took place on 4 December with 80,463 kg on offer. More

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

Price movement key: Increase Unchanged Decrease

USDA report

USDA's Weekly Export Sales Report of week ending 29 November

The Weekly Export Sales Report of week ending 29 November showed net sales of 94,900 RB for 2018-19 were down 46% from the previous week and 31% from the prior 4-week average. Increases were reported for Vietnam (31,900 RB, including 900 RB switched from Taiwan, 200 RB switched from Japan, and decreases of 1,100 RB), Bangladesh (28,300 RB, including decreases of 100 RB), Malaysia (16,700 RB, including decreases of 1,800 RB), Pakistan (13,200 RB, including decreases of 400 RB), and Turkey (10,400 RB). Reductions were reported for China (30,300 RB).

For 2019-20, net sales of 80,500 RB were reported for Malaysia (47,500 RB), China (28,200 RB), and Thailand (4,800 RB).

Exports of 158,600 RB were up 26% from the previous week and 17% from the prior 4-week average. Exports were primarily to Vietnam (41,500 RB), Mexico (15,500 RB), China (14,200 RB), Indonesia (11,300 RB), and South Korea (10,300 RB).

Net sales of Pima totaling 22,400 RB for 2018-19 were up 5% from the previous week and 29% from the prior 4-week average. Increases were reported for India (6,800 RB), Vietnam (4,300 RB, switched from China), China (3,600 RB), Egypt (2,600 RB), and Austria (2,600 RB).

Exports of 16,300 RB – a marketing-year high – were up 67% from the previous week and up noticeably from the prior 4-week average. The destinations were primarily to China (9,500 RB), Pakistan (3,100 RB), Peru (1,400 RB), and Vietnam (1,300 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 29 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	7,102.1	7,396.2	2,022.6	1,043.6	317.3	320.2	27.6	35.4
Unknown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	7,102.1	7,396.2	2,022.6	1,043.6	317.3	320.2	27.6	35.4
Optional Origin	0.9	16.5	0.0	0.0	0.0	0.0	0.0	0.0
Accumulated Exports	2,686.1	2,436.5			107.2	114.3		
Exports For Own Acct	6.8	60.6			0.0	0.0		
Net Change In Sales	94.9	186.6	80.5	50.4	22.4	-12.8	0.0	15.7

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

Price movement key: Increase Unchanged Decrease