WTiN Textile Economics

Executive Market Report Summary 17 December 2018

Cost summary	14-Dec-18	
	US$/kg	Change on Week
Polyester		
China PSF 1.4 den	1.28	0.32%
China FDY 50 den/24f	1.56	0.69%
China DTY 150den/48f	1.65	0.64%
Viscose		
China VSF 1.5 den, 38mm	2.00	-0.24%
Polyamide		
China FDY 70 den/24f	2.87	-1.98%
Cotton		
Cotlook A Index	1.93	0.57%
Wool		
AWEX EMI	13.43	0.64%
Yarn		
China Cotton combed 32s (weaving)	2.88	0.00%
China Cotton combed 40s (weaving)	3.84	-0.62%
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- 16-Nov	56.49	
WTI Crude Oil Price- 23-Nov	54.41	
WTI Crude Oil Price- 30-Nov	50.78	
WTI Crude Oil Price- 07-Dec	52.76	3.90%

Weekly Market Review – from the analyst desk

Is the European ethylene market heading towards over-supply?

The European ethylene market has been in the limelight, following a number of fresh investments proposed by some market players.

In a bolt announcement, INEOS plans new projects in northern Europe worth Euro2.7bn, comprising an ethane-based cracker and a propane dehydrogenation (PDH) plant. They are not greenfield units, but also includes few expansions of existing facilities. The proposal includes an enlargement of the ethylene capacity at its Grangemouth complex in Scotland, UK.

Austria's OMV also aims to expand its cracker unit at Burghausen, Germany, by 2021.

For more than 20 years, Europe has not invested in any new ethylene plants due to a number of issues such as energy costs, a lack of cheap raw materials, stricter environmental laws and higher labour costs.

In contrast, cheap feedstocks in the US and a capital-expenditure advantage combined with the need to narrow the supply-demand gap in China are driving construction of new plants in these countries.

However, a deeper analysis explains why the efficiency of such investments in the ethylene industry might worsen in Europe. The lacklustre ethylene market is likely on the horizon, given the worries about the projected economic climate and additional polyethylene cargos from the US.

Nitin Madkaikar
Price Analyst

MMF market

- Polyester fibre up on improved exports in China

Cotton market

- Prices steady in Pakistan, but down in India despite expected lower crop

Fibre raw material market

- PTA and MEG prices sober in Asia / Downstream polyester regains

Filament market

- Polyester filament up / Nylon filament down

Wool & Speciality Fibres

- Aussie market finishes the year on a positive note
- Weaker NZ dollar leads to rise in Coarse Crossbred Indicator
- Stronger demand boosts UK market

Trade

- USDA's Weekly Export Sales Report of week ending 6 December
- WASDE December report lowers global output and raises end stock

Analyst
Nitin Madkaikar - nmadkaikar@wtin.com
Production
Jessica Holgate - design@wtin.com
Sales Manager
Alex Norbury - sales@wtin.com
Managing Director
Mark Jarvis - mjarvis@wtin.com

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is published by
World Textile Information Network Ltd.
West One, 114 Wellington Street,
Leeds, West Yorkshire, LS1 1BA
Tel: +44 (0)113 819 8155
Fax: +44 (0)113 819 8156
Web: www.wtin.com

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Price movement key: Increase Unchanged Decrease

MMF market

Man-Made Fibre Prices (ex-works) in Eastern China						
Date		14-Dec		7-Dec		
Intermediates	yuan/tonne	US$/Kilogram	yuan/tonne	US$/Kilogram	Yuan Price change (%)	US Dollar Price Change (%)
PX (FOB South Korea)		1.072		1.068		0.41
PTA	6,920	1.004	6,865	0.998	0.80	0.56
MEG	5,155	0.748	5,315	0.773	-3.01	-3.25
Caprolactam	13,300	1.929	14,000	2.035	-5.00	-5.23
Acrylonitrile	11,600	1.682	11,500	1.672	0.87	0.62
PET	11,055	1.603	10,855	1.578	1.84	1.60
Polyester filament						
FDY 50 den/24f	10,750	1.559	10,650	1.548	0.94	0.69
DTY 50 den/72f	15,450	2.241	15,350	2.232	0.65	0.41
DTY 150 den/48f	11,405	1.654	11,305	1.644	0.88	0.64
POY 150 den/48f	8,630	1.252	8,530	1.240	1.17	0.93
FDY 150 den/96f	9,360	1.357	9,260	1.346	1.08	0.83
Polyamide 6 filament						
FDY 70 den/24f	19,800	2.872	20,150	2.929	-1.74	-1.98
Staple fibre						
Polyester 1.4 denier 38 mm	8,840	1.282	8,790	1.278	0.57	0.32
Viscose 1.5 denier, 38mm	13,780	1.999	13,780	2.003	0.00	-0.24
Acrylic 1.5 denier, 38 mm	16,200	2.349	16,200	2.355	0.00	-0.24

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
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
12-Dec	1.30	1.65	1.80	1.90

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Price movement key: Increase Unchanged Decrease

Polyester fibre up on improved exports in China

POLYESTER

Polyester staple fibre prices inched up in China, while they rolled over in India and Pakistan after their either-way revisions last week. In China, offers were slightly up from the previous week amid recent improvement in export volumes. There was some downward pressure on prices because of losses in feedstock cost. However, most export offers were kept at similar levels because of lowered inventory levels and a slight uptick in sales. In Pakistan, polyester fibre producers maintained stable offers on firm feedstock while they were mainly liquidating volumes. In India, POY market stabilized after producers reduced their offers for December. However, downstream spinners mainly purchased hand to mouth volume. Overall, on the back of modest demand, polyester fibre markets are expected to move sideways in the short run unless external factors boost the cost variables.

In China, offers for 1.4D direct-melt PSF inched up to 8.95-9.10 Yuan a kg (US$1.30-1.32 a kg, up US cent 1) in Jiangsu and Zhejiang while the same in Fujian and Shandong gained US cent 1 to US$1.30-1.33 a kg. Export offers were at around US$1.15 a kg FOB China. In Pakistan, 1.4D PSF producers' offers remained unchanged at PakRs.187-189 a kg (US$1.34-1.35 a kg, up US cent 1). In India, PSF offers rolled over with 1.2D to INR84.25 a kg (US$1.17 a kg) and 1.4-2D at INR83.50 a kg or US$1.16 a kg, both down US cents 2 due to weak currency.

NYLON

Demand for nylon staple fibre was modest this week. In China, nylon staple fibre 1.5D prices declined to 16.70-17.80 Yuan a kg (US$2.43-2.59 a kg, down US cents 5).

ACRYLIC

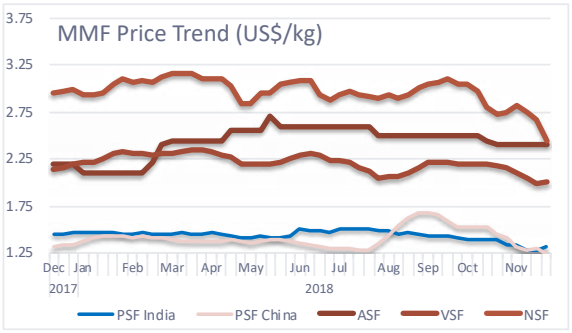
Acrylic staple fibre markets were stable in Asia and offers largely rolled over. In China, producers reduced operation, indicating low interest in production, and order intakes at downstream yarn mills rose at a slower pace. Upstream, acrylonitrile values were also range-bound in weakness, as sellers merely followed prevalent market values and downstream buyers picked volumes hand to mouth. In China, acrylic fibre supply was cut as run rate decreased to 56% during the week. Many producers maintained production cut in various degrees. Downstream buyers increased procurement to some extent, but failed to boost buying atmosphere. Overall, with acrylonitrile cost easing and downstream demand mute, acrylic fibre markets are expected to extend stability to weakness in coming week.

Taiwan origin 3D bright ASF tow offers were flat at US$2.40-2.45 a kg while offers in China for medium-length and cotton-type acrylic fibre rolled over at 16.20-16.40 Yuan a kg (US$2.36-2.39 a kg). In Pakistan, 1.2D ASF prices were stable in Karachi market at PakRs.345 a kg (US$2.47 a kg). In India, producers' offers rolled over after a significant cut for December, at INR158-169.50 a kg (US$2.20-2.36 a kg, down US cents 4, due to weak currency).

VISCOSE

Viscose staple fibre markets in China, India and Pakistan were largely stable, amid a quiet atmosphere. In China, some producers were eager to liquidate volumes after completion of previous orders. However, downstream mills purchasing was still hand-to-mouth volumes, amid cautious mindset. Prices for medium-end and high-end viscose fibre stood still at previous week's levels. In India, demand remained flat despite a cut in offers after several weeks of a stable run. Meanwhile, cotton prices were seen moderating which can push buying of viscose fibre to produce cheaper blended yarns. In Pakistan, the viscose fibre market was quiet in Karachi, with no movement seen in offers as yet.

In China, spot offers were flat on the week with 1.5D VSF at 13.90 Yuan a kg (US$2.02 a kg) and 1.2D at 14.10 Yuan a kg (US$2.05 a kg). In Pakistan, offers for 1.5D VSF rolled over at PakRs270-273 a kg (US$1.93-1.95 a kg) in Karachi. In India, prices were stable, with 1.2-2.0D VSF prices at INR147-197 a kg (US$2.05-2.75 a kg, down US cents 3-5 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)			
	14-Dec	7-Dec	Change		14-Dec	7-Dec	Change
Mar	79.60	80.23	(0.63)	Jan	14,595	14,560	35
May	80.67	81.17	(0.50)	Mar	14,935	14,795	140
Jul	81.34	81.72	(0.38)	May	15,310	15,165	145
Oct	78.42	78.81	(0.39)	Jul	15,555	15,345	210
Dec	77.69	78.03	(0.34)	Sep	15,785	15,630	155
Mar	78.08	78.63	(0.55)	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)		
14-Dec	7-Dec		14-Dec	7-Dec	Change
87.75	87.25	0.50	8,800	8,800	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)		
14-Dec	7-Dec	Change	14-Dec	7-Dec	Change
15,411	15,402	9	44,400	44,300	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)		
14-Dec	7-Dec	Change
76.74	76.42	0.32

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

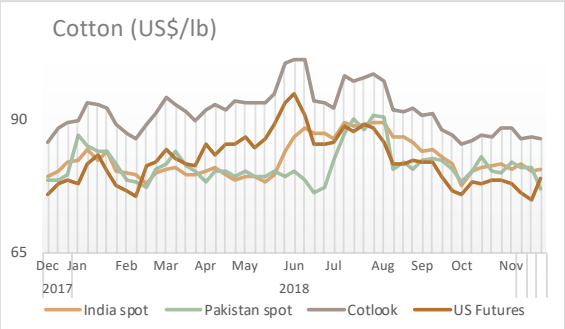
Cotton Yarn export quotations (week ended 14 December)								% change on Week						
		India		Bangladesh		Pakistan		India		Bangladesh		Pakistan		
		Weaving	Knitting	Weaving	Knitting	Weaving	Knitting	Weaving	Knitting	Weaving	Knitting	Weaving	Knitting	
Open-end	10s			1.80		1.76				1.7		2.3		
	12s			1.87		1.82				1.6		2.2		
	16s	1.82		2.00		1.95		-1.6		0.0		2.1		
	21s	1.96						-1.0						
Carded	20s	2.55	2.55					0.8	-0.8					
	30s	2.79	2.69		2.87			-0.4	-0.4		1.1			
	40s	2.93						-0.7						
Combed	20s		2.75		2.87				-0.7		0.0			
	26s		2.84		2.98				-0.4		-0.3			
	30s		2.88		3.04				-0.7		0.3			
	34s		3.05		3.16				0.7		0.0			
	40s		3.25		3.35				0.0		-0.3			
Compact combed	30s	3.07		3.13	3.07			-0.3		-0.3	1.0			
	40s	3.30		3.45	3.38	3.38		0.0		0.3	-0.3	0.6		
	60s	3.90		4.45	4.45	4.38		0.0		-1.1		-0.5		
	80s			5.68	5.68	5.60				5.2		5.7		

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Price movement key: Increase Unchanged Decrease

Prices steady in Pakistan, but down in India despite expected lower crop

According to the latest WASDE report, global forecasts for cotton in 2018-19 were lower production and consumption, higher trade, and slightly higher ending stocks compared with its previous month's estimation. Production is 645,000 bales lower with smaller crops in Pakistan, China, India, Turkmenistan, and Turkey. These changes more than offset a one million bale increase in Brazil and smaller increases in the US and Cote d'Ivoire. Consumption is 1.3 million bales lower largely due to a one million bale decline for China, but consumption is also lower in Pakistan, Turkey, and Uzbekistan. Global trade is 600,000 bales higher, with imports up in Pakistan, India, and Malaysia, while exports are higher from Brazil, Argentina, Cote d'Ivoire, India and Uzbekistan. Global ending stocks are projected nearly 600,000 bales higher, but at 73.2 million bales were down 7.3 million bales from the year ago. On the ICE, the front month active March edged down US cents 0.63 or 0.8% week on week to close at US cents 79.60 per pound.



Global spot benchmark, the Cotlook A index, inched up US cent 0.50 week on week to close at US cents 87.75 per pound, after losing US cents 0.50 on the weekend.

In China, spot cotton market extended weakness, and trades were thin. Prices for domestic grade-3 white cotton were at 14.50-14.60 Yuan a kg (US cents 96 per pound), self-lifting. Downstream buying was thin. Spot markets are likely to extend weakness in the coming weeks. The China Cotton Index inched up this week by 9 Yuan, to close at 15,411 a ton (US cents 102 a pound).

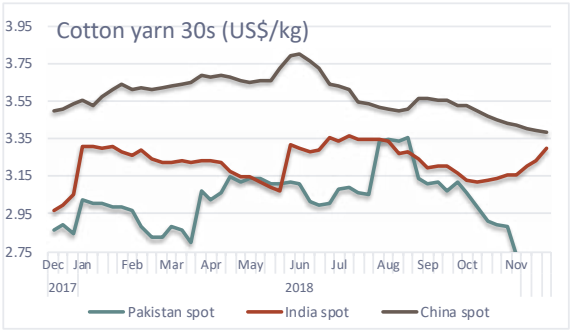
In Pakistan, cotton trading was moderate this week on back of demand for fine and second grade lint besides buyers made forward deals in all grades that kept cotton market in firm zone. The KCA kept making adjustments in spot rate that stayed at PakRs8,960 per maund ex-Karachi. Trading in Punjab and Sindh remained grade issue on account of demand from leading buyers besides production of lint remained moderate in major ginning units in the country. The physical prices of all grades were on firm footing as demand for fabric and yarn was on higher side from the buyers of these commodities.

In India, spot cotton prices continued to moderate as arrivals gained pace. Prices of finer variety cotton like MCU-5, Surabhi and DCH-23 fell INR200-300, while coarser varieties such as Bengal Deshi and Y-1 lost INR100-300 per candy. However, benchmark Gujarat Shankar-6 was traded at INR44,400 per candy (US cents 78.97 per pound), up INR100 from last week. Unfavourable weather condition led the Cotton Association of India to reduce crop estimates for Gujarat by 3 lakh bales, Maharashtra by 1 lakh bales and Telangana by 1.5 lakh bales. At the start of the cotton year 2018-19 (October-September) delay in harvesting and concerns about output amid scanty rains kept cotton prices higher. In November, prices fell due to poor exports and an increase in arrivals, after Diwali. However, prices are likely to bounce considering the latest estimates of CAI regarding the 2018-19 crop.

COTTON YARN

Cotton yarn prices were seen moderating in China but held steady in Pakistan and India this week. In China the cotton spot market extended weakness, resulting in cotton yarn market seeing limited transaction. Prices of individual varieties moved down further, while demand for cotton yarn 32s and 40s was relatively better. In Pakistan, yarn buyers were seeing demanding regular volumes as fabric makers operated at normal rate with no boost seen in near future. In India, cotton prices were moderating prompting yarn makers to maintain their price levels. Weak INR also pegged values down on the week.

In China, 32s cotton yarn prices fell to 23.30 Yuan a kg (US$3.39 a kg), while 40s fell to 24.40 Yuan a kg (US$3.55 a kg), both down US cents 2). Coarser yarn prices of 16s were stable at 14.60 Yuan a kg (US$2.12 a kg) while 21s moderated to 18.50 Yuan a kg (US$2.69 a kg, down US cents 3). In Pakistan, 30s carded prices in Karachi rolled over at PakRs175-180 per pound (US$2.76-2.84 a kg), while 32s cone in Faisalabad were steady at PakRs172-180 per pound (US$2.71-2.84). In India, 30s carded cotton yarn for knitting remained unchanged at INR230 a kg (US$3.21 a kg, down US cents 5 due to weak INR) in Coimbatore, while export offers were flat at US$2.88 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"
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
14/12/2018	9.322	5.715	7.984	4.450	4.720

PTA and MEG prices sober in Asia / Downstream polyester regains

POLYESTER INPUT: MEG

Mono ethylene glycol prices declined in Asia on weak market sentiment, despite an uptick in polyester sales and gains in crude oil prices. A sharp uptrend in co-polyester feedstock purified terephthalic acid futures prices weighed on MEG buying indications, over concerns of possible increases in cost pressure for polyester producers. Nevertheless, the buying appetite for MEG remained relatively healthy following the decline in polyester inventory levels. MEGlobal reduced its January contract for Asia citing spot to have been under pressure amid volatile crude oil and lackluster downstream polyester sales. In Europe, the December contract price remained unconfirmed as sellers and buyers remain in discussion. Market fundamentals were still weak, with pressure on truck spot prices still apparent. Spot activity in bulk market was quiet and prices were assessed stable while truck spot prices slipped. Demand from antifreeze sector was ticking along in line with expectations. In US, MEG market was quiet and prices generally rolled over.

Asian spot benchmark lost US$24 on the week, with CFR China at US$681-686 a ton and CFR South East Asia at US$680-685 a ton. In China, offers for nearby-month cargoes fell to USS$690 a ton from US$725 a ton last week, while bids and discussions were at US$685 a ton. MEGlobal announced its January contract price at US$900 a ton CFR Asia, down US$50 from December nomination. In Europe, bulk spot prices were assessed at Euro680-700 a ton CIF NEW, while truck spot prices slipped Euro20 at the low end and Euro15 at the high, pegging the range at Euro720-770 a ton FCA NWE. In the US, November contracts were assessed at US cents 36.5-42.5 per pound FOB.

POLYESTER INPUT: PTA

Purified terephthalic acid prices moderated in Asian markets as upstream paraxylene and crude oil markets moved either ways during the week. In China, PTA futures rose as some supplier bought goods amid sound trading atmosphere. In China, prices changed marginally as offers for bonded goods and spot cargoes were almost stable. Going ahead, concentration will be on replenishment ahead of year end that may result in boosting prices. Besides, possibility of further delay of maintenance would be a concern as market will generally be in a rebounding cycle in the short run.

In Europe, purified terephthalic acid December contract decreased, moving alongside a drop in the paraxylene contract for the month.

Asian PTA markers the CFR China edged down US$4 on the week to US$846-848 a ton while offer from Taiwan/Korea was down US$5 at US$855-895 a ton. In China, offers for bonded goods were at US$850-900 a ton and cargoes at US$860-870 a ton. Yisheng Petrochemical's daily prices were unchanged at US$900 a ton, while that of Hengli Petrochemical's at US$850 a ton. In Europe, the December contract price was down by Euro67 to reach Euro770-804 a ton FD NWE. In the US, November contracts were at US cents 54.40 per pound (US$1,199 a ton) DEL USG.

CAPROLACTAM

Caprolactam spot markets in Asian went weak amid waning demand for downstream products, as well as softer feedstock benzene values. In China, offers for liquid and flake materials declined sharply on lukewarm downstream demand. Japan's Ube Industries settled its December caprolactam contract price lower from November, citing weak demand and feedstock values. In Europe, the December contract talks continued, and early agreements were heard at triple-digit decreases, following the sharp drop in benzene this month. Due to the shorter working month, players were aiming to finish the remaining monthly discussions before the end of the year. There was continued pressure in the downstream nylon 6 market in terms of pricing but talks remained ongoing. Meanwhile, caprolactam sellers and buyers were debating the level of decrease with mention of full benzene decrease to be passed on downstream.

Asian caprolactam prices plunged further by US$150 on the week, with SE and FE Asia markers at US$1,650-1,700 a ton. In China, spot prices for liquid goods fell to 13,000-13,500 Yuan a ton (US$1,890-1,965 a ton, down US$105), while flake goods fell to 13,500-14,000 Yuan a ton (US$1,965-2,035 a ton, down US$75). Japan's Ube Industries settled its December contract price at US$1,910 a ton CFR NE Asia, down US$240 from November. In Europe, November contract prices were assessed at Euro2,256-2402 a ton FD NWE. In US, December cyclohexane settled at US cents 256 per gallon FOB US Gulf, down US cents 39 compared to the previous month.

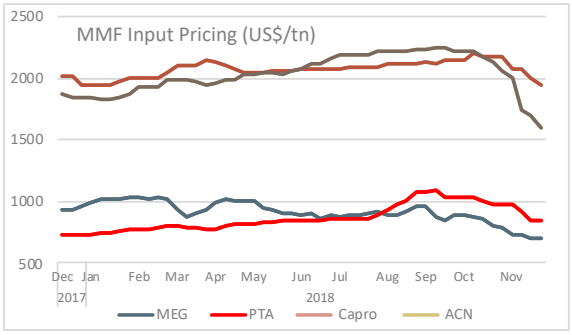
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ACRYLIC INPUT: ACRYLONITRILE

Acrylonitrile prices fell further in Asia this week to levels last seen in early August 2017 due to an inflow of cheaper deep-sea cargoes and prevailing sluggish demand, but the downtrend was limited by rebounding market in China and squeezed margins. The inflow of cheaper deep-sea material from the US and Europe exerted downward pressure on the Asian market as some overseas producers were destocking cargoes at the end of the year. In China, domestic spot values were range-bound, as sellers largely followed prevalent market rates and downstream buyers picked hand to mouth volumes. However, improving upstream sentiment made suppliers keen to hike offers in spite of downstream weakness, while players were waiting for a clear sign of price movement. European acrylonitrile markets were quiet and prices generally rolled over. In the US, spot export prices continued to decline as the market looked for a floor, amid depressed prices in Asia and softening global demand.

The Asian acrylonitrile Far East CFR marker declined US$50 to US$1,549-1,551 a ton, while CFR China was steady at US$1,550-1,650 a ton. In China, self-lifting values at Lianyungang port gained US$10 at US$1,700-1,715 a ton. In China, Jiangsu Sailboat posted offers at 11,800 Yuan a ton (US$1,715 a ton, up US$25) for the week. Prices in India were stable at US$1,565-1,600 a ton CFR. In Europe, spot prices rolled over at US$1,268-1,272 a ton CIF Mediterranean. In the US, spot export prices declined US$50 to US$1,470-1,480 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
	14-Dec		7-Dec			
	yuan/tonne	US$/kg	yuan/tonne	US$/kg		
Polyester 32s	13,650	1.980	13,600	1.977	0.37	0.12
Viscose 30s	19,130	2.774	19,130	2.781	0.00	-0.24
Poly/cotton 32s	18,500	2.683	18,500	2.690	0.00	-0.24
Poly/viscose 40s	19,600	2.843	19,600	2.850	0.00	-0.24
Prices from Anhui					% Change in Yuan	% Change in US Dollar
	14-Dec		7-Dec			
	yuan/tonne	US$/kg	yuan/tonne	US$/kg		
Cotton carded 32s	23,350	3.386	23,450	3.409	-0.43	-0.67
Cotton combed 32s	23,250	3.372	23,350	3.395	-0.43	-0.67
Cotton carded 40s	24,800	3.597	24,900	3.620	-0.40	-0.64
Cotton combed 40s	26,500	3.843	26,600	3.867	-0.38	-0.62

Pakistan: Karachi Cone Cotton Yarn Market (Wholesale price)						
Cone	Friday, December 14, 2018		Friday, December 07, 2018		PKR % change	USD % change
	Mean PKR per 10lb	US$ per kg	Mean PKR per 10lb	US$/kg		
Carded 10/1	1,330	2.096	1,330	2.098	0.00	-0.06
Carded 40/1	2,300	3.626	2,300	3.628	0.00	-0.06
Carded 22/1	1,550	2.443	1,550	2.445	0.00	-0.06
Carded 30/1	1,788	2.819	1,788	2.821	0.00	-0.06
Combed 20/1	1,600	2.522	1,600	2.524	0.00	-0.06
Combed 40/1	2,350	3.704	2,350	3.706	0.00	-0.06
Source: Brecorder , X-Rates						

Polyester filament up / Nylon filament down

POLYESTER

Polyester filament yarn prices were seen inching up in China, following firmer feedstock sentiment together with some production cuts by producers – which boosted local offers somewhat. Overall, the trading atmosphere was sound this week. In Zhejiang, as crude oil prices and PTA futures appeared firm, offers mostly climbed on the back of production cuts. Trading atmosphere was sound, as downstream mills moderately purchased on higher feedstock. In Pakistan, offers for DTYs intermingled and non-intermingled were stable as local producers maintained offers, but focused on liquidity. However, trading atmosphere was not good as earlier, although downstream mills purchased normal volumes. In India, POY offers were generally stable, on the back of higher feedstock and sound trading atmosphere. Downstream mills slightly increased buying, although they held cautious mood about market future.

In China, POY offers gained US cent 1 in Shengze, with 75/72 at US$1.34-1.35 a kg and 75/36 to US$1.32-1.34 a kg. In India, POY offers were flat in INR terms and down US cents 2 in US$ term due to weak currency, with 115/108 at INR100 a kg or US$1.39 a kg and 130/34 POY at INR92 a kg or US$1.28 a kg. In China, 75/72 intermingled DTY prices were up US cent 1 to US$1.82-1.83 a kg and 75/36 to US$1.80-1.82 a kg. In Pakistan, selling indications were stable 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). In China, FDY offers inched up US cent 1 for 50/24 at US$1.48-1.50 a kg and 150/96 FDY to US$1.31-1.32 a kg.

NYLON

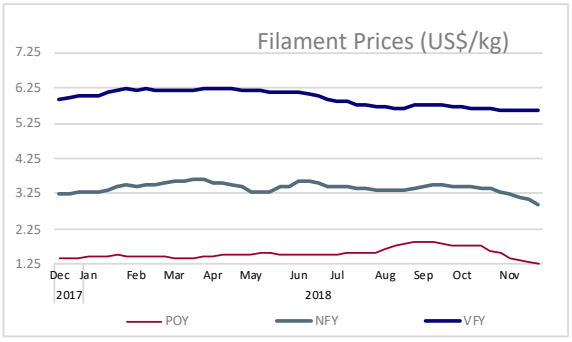
Nylon filament yarn prices declined as upstream nylon chip and caprolactam markets headed down. Demand was also flat as textile producers operated at low run rates. The buying volume of FDY, DTY and POY were based on rigid demand. Warp knitting mills and covering mills ran at 60% run rates, while circular knitting and lacing mills ran at 35% run rates. Demand for cord fabric and monofilament was passable, while that for fishing net yarn was modest. Fabric makers are likely to keep run rates low and awaiting fresh orders. Thus, nylon yarn prices may remain stable to weak in coming weeks. India has imposed a five-year anti-dumping duty of US$719.44 a ton and US$128.06 a ton on nylon filament

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yarn imported from European Union and Vietnam. The duty follows the Directorate General of Trade Remedies' (DGTR) discovering that EU and Vietnam exports nylon multi filament yarn to India was below normal values, causing material injury in the domestic sector. Meanwhile, prices of nylon yarn were stable in the Surat market.

In China, offers for nylon FDY70D/24F SD eased to 18.80-20 Yuan a kg (US$2.73-2.91, down US cents 3), while DTY70D offers fell to 21-22 Yuan a kg (US$3.05-3.20 a kg, down US cents 8-12). Cord fabric 1,260D offers plunged to 23.50-25 Yuan a kg (US$3.42-3.64 a kg, down US cents 30), while mono filament 30D prices fell to 21-22 Yuan a kg (US$3.05-3.20 a kg, down US cents 15). In India, 20 SD filament prices were steady on the week at INR310 a kg (US$4.32 a kg, down US cents 6 due to weak currency) in Surat market.



VISCOSE

Viscose filament yarn prices were largely stable in China and India this week. In China, trading activities were lukewarm, as downstream converters mostly purchased need-based volumes. Price-wise, offers for first-class, second-class and third-class VFY 120D were seen rolling over on the week. In India, viscose filament markets were listless as trading was almost negligible given the unchanged demand. Overall, going ahead, as year-end approaches, demand prospect for viscose filament appears weak, resulting in slow liquidity. Thus, VFY prices are expected to remain range bound on a weak note until the year end.

In China, offers for viscose filament 120D bright rolled over at 38.80 Yuan a kg (US$5.64 a kg), and dull at 38.45 Yuan a kg (US$5.59 a kg), both down US cent 1 due to weak 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$3.74 a kg), both down in US$ for similar reason. In India, VFY prices rolled over in INR and down US cents 5-9 in US$ terms due to weak currency, with 100D bright VFY at INR388 a kg (US$5.41 a kg) and 450D at INR 225 a kg (US$3.14 a kg).

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Wool & Speciality Fibres

Wool							
Australia				**South Africa**			
AWEX EMI (cents/kg)				Cape Wools Merino Indicator (cents/kg)			
	13-Dec	6-Dec	change		5-Dec	28-Nov	change
A$	1,862	1,849	0.70%	Rand	20,785	20,771	0.07%
US$	1,346	1,336	0.75%	US$	1,509	1,489	1.34%
New Zealand				**United Kingdom**			
NZ Wool Services Indicators	Coarse Crossbred (cents/kg)			British Wool Fleece Indicator (clean)			
	13-Dec	6-Dec	change		11-Dec	20-Nov	change
NZ$	286	284	0.70%	pence/kg	146	139	5.04%
US$	196	196	0.00%	US cents/kg	184	179	2.79%
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		
	7-Dec	13-Dec
Chinese Cashmere (dehaired)		
White		
Hosiery 38mm	140.00	137.00
Weaving 32mm	134.00	125.00
Brown		
Hosiery 38mm	130.00	131.00
Weaving 32mm	126.00	122.00
Mongolian Cashmere (dehaired)		
Brown	108.00	108.00
Light Grey	108.00	109.00
Afghan/Iranian Cashmere (dehaired)		
White	101.00	107.00
Fawn	99.00	106.00
Dark Brown	99.00	106.00
Alpaca Tops		
White		
Baby (BL)	NQ	36.50
Fine Spinning (FS)	NQ	33.00
Adult (AG)	NQ	20.00
Camel Hair (dehaired)		
Super-baby	50.00	53.00
Medium baby	NQ	49.00
Adult	48.00	39.00
Silk		
Mulberry Sliver	47.00	46.50
Mulberry Noil	24.00	19.00
Tussah Sliver	33.50	37.00
Tussah Noil	23.00	16.50
Source: The Schneider Group		

Aussie market finishes the year on a positive note

By Jonathan Dyson

The Australian wool market finished 2018 on a positive note with an increase across the majority of micron ranges and wool types. More

Weaker NZ dollar leads to rise in Coarse Crossbred Indicator

By Jonathan Dyson

The New Zealand wool market saw a slight strengthening this week due to the weaker local currency. More

Stronger demand boosts UK market

By Jonathan Dyson

The tenth sale of the 2018/19 selling season saw a strengthening in demand which resulted in the majority of prices being firm to slightly dearer. The increased activity resulted in a much better clearance than of late with 78% of the offering being sold. More

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WTiN
Executive Market Report
17 December 2018

USDA's Weekly Export Sales Report of week ending 6 December

According to the USDA's weekly export sales report, net sales of 47,100 RB for 2018/2019 were down 50% from the previous week and 66% from the prior four-week average.

Increases were reported for Vietnam (29,300 RB, including 4,100 RB switched from South Korea, 1,900 RB switched from China, 200 RB switched from Japan, and decreases of 1,800 RB), China (11,700 RB, including decreases of 13,200 RB), Mexico (8,100 RB), Indonesia (7,200 RB, including 2,300 RB switched from China and 500 RB switched from Japan), and Turkey (5,500 RB). Reductions were reported for Bangladesh (28,600 RB), South Korea (1,600 RB), and Malaysia (400 RB).

For 2019-20, net sales of 33,500 RB were reported for Bangladesh (22,000 RB), China (8,800 RB), Mexico (2,600 RB) and Japan (100 RB).

Exports of 154,500 RB were down 3% from the previous week, but up 13% from the prior four-week average. Exports were primarily to Vietnam (46,500 RB), China (25,200 RB), Mexico (17,800 RB), Indonesia (13,500 RB) and South Korea (7,800 RB).

Net sales of Pima totaling 10,900 RB for 2018/2019 were down 51% from the previous week and 49% from the prior 4-week average. Increases were reported for India (5,500 RB), Peru (4,000 RB, including decreases of 100 RB), Turkey (400 RB) and Honduras (400 RB). Reductions were reported for Japan (100 RB).

Exports of 11,700 RB were down 29% from the previous week, but up 35% from the prior four-week average. The destinations were primarily to China (7,200 RB), India (1,900 RB) and Pakistan (1,600 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 6 December 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	6,994.7	7,489.3	2,056.1	1,079.6	316.6	316.6	27.6	35.4
Unknown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	6,994.7	7,489.3	2,056.1	1,079.6	316.6	316.6	27.6	35.4
Optional Origin	0.9	16.5	0.0	0.0	0.0	0.0	0.0	0.0
Accumulated Exports	2,840.6	2,603.0			118.9	128.0		
Exports For Own Acct	6.8	64.1			0.0	0.0		
Net Change In Sales	47.1	259.7	33.5	36.0	10.9	10.1	0.0	0.0

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WASDE December report lowers global output and raises end stock

The WASDE report of December 2018 includes slightly higher production and ending stocks for US cotton forecasts in 2018-19. Production is raised 180,000 bales due mainly to a 300,000-bale increase in Texas.

Domestic mill use and exports are unchanged. Ending stocks, forecast at 4.4 million bales in 2018-19, are 100,000 bales above both last month and the 2017-18 estimate.

The forecast for the marketing year average price received by producers is unchanged from November, US cents 71-77 per pound, with a midpoint of US cents 74 per pound.

The global 2018-19 forecasts compared with last month include lower production, lower consumption, higher trade and slightly higher ending stocks. Global production is 645,000 bales lower with smaller crops in Pakistan, China, India, Turkmenistan and Turkey. These changes more than offset a 1.0-million-bale increase in Brazil and smaller increases in the US and Cote d'Ivoire.

Global consumption is 1.3 million bales lower largely due to a one million bale decline for China, but consumption is also lower in Pakistan, Turkey and Uzbekistan.

Global trade is 600,000 bales higher, with imports up in Pakistan, India and Malaysia, while exports are higher from Brazil, Argentina, Cote d'Ivoire, India and Uzbekistan. Projected 2018-19 global ending stocks are nearly 600,000 bales higher this month, but at 73.2 million bales are down 7.3 million bales from the year before.

This month's 2018-19 world supply and demand forecasts include lower beginning stocks, production, consumption, trade, and ending stocks.

Historical revisions to Benin's exports resulted in a 375,000-bale decrease in 2018-19 beginning stocks there, accounting for much of this month's 500,000-bale decline in global beginning stocks.

Forecast global production is reduced 2.3 million bales as smaller expected crops in the United States, India, Pakistan, and Turkmenistan offset an increase in Benin.

Consumption is reduced 875,000 bales, with smaller expected mill use in India, Pakistan, Turkey, Brazil, Indonesia, and the United States.

Global ending stocks are 1.8 million bales lower this month, at 73 million bales or 57% of mill use.

World and U.S. Supply and Use for Cotton 1

Million 480-lb Bales

			Opening stock	Output	Import	Domestic use	Export	Loss 2	Ending stock
World	2016-17		90.33	106.66	37.70	116.17	37.90	0.21	80.40
	2017-18 (Est.)		80.40	123.70	40.98	123.28	40.94	0.47	80.39
	2018-19 (Proj.)	Nov	80.39	119.39	41.11	126.88	41.13	0.27	72.61
		Dec	80.45	118.74	41.71	125.63	41.73	0.35	73.19
United States	2016-17		3.80	17.17	0.01	3.25	14.92	0.06	2.75
	2017-18 (Est.)		2.75	20.92	3/	3.23	15.85	0.30	4.30
	2018-19 (Proj.)	Nov	4.30	18.41	0.01	3.30	15.00	0.11	4.30
		Dec	4.30	18.59	0.01	3.30	15.00	0.19	4.40
Other than US	2016-17		86.53	89.49	37.69	112.92	22.99	0.15	77.65
	2017-18 (Est.)		77.65	102.77	40.98	120.05	25.09	0.17	76.09
	2018-19 (Proj.)	Nov	76.09	100.98	41.11	123.58	26.13	0.16	68.31
		Dec	76.15	100.15	41.71	122.33	26.73	0.16	68.79

1/ Marketing year beginning August 1. Totals may not add exactly and trade may not balance due to rounding and other factors. 2/ Generally reflects cotton lost or destroyed in the marketing channel; for Australia, Brazil, China, and the United States, reflects the difference between implicit stocks based on supply less total use and indicated ending stocks. 3/ Less than 5,000 bales

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U.S. Cotton Supply and Use 1/				
	2016-17	2017-18 Est.	2018-19 Proj.	2018-19 Proj.
			Nov	Dec
	Million Acres			
Planted	10.07	12.61	14.04	14.04
Harvested	9.51	11.10	10.37	10.37
				Pounds
Yield per Harvested Acre	867.00	905.00	852.00	860.00
	Million 480 Pound Bales			
Beginning Stocks	3.80	2.75	4.30	4.30
Production	17.17	20.92	18.41	18.59
Imports	0.01	-	0.01	0.01
Supply, Total	20.98	23.68	22.71	22.89
Domestic Use	3.25	3.23	3.30	3.30
Exports, Total	14.92	15.85	15.00	15.00
Use, Total	18.17	19.07	18.30	18.30
Unaccounted 2/	0.06	0.30	0.11	0.19
Ending Stocks	2.75	4.30	4.30	4.40
Avg. Farm Price 3/	68.00	68.60	71.00 - 77.00	71.00 - 77.00

1/ Upland and extra-long staple; marketing year beginning August 1. Totals may not add due to rounding. 2/ Reflects the difference between the previous season's supply less total use and ending stocks. 3/ Cents per pound for upland cotton.

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