



China Sourcing Update

May 14, 2019

Prices of Chemical Textile Materials

1. Price indices of polyester drop in April

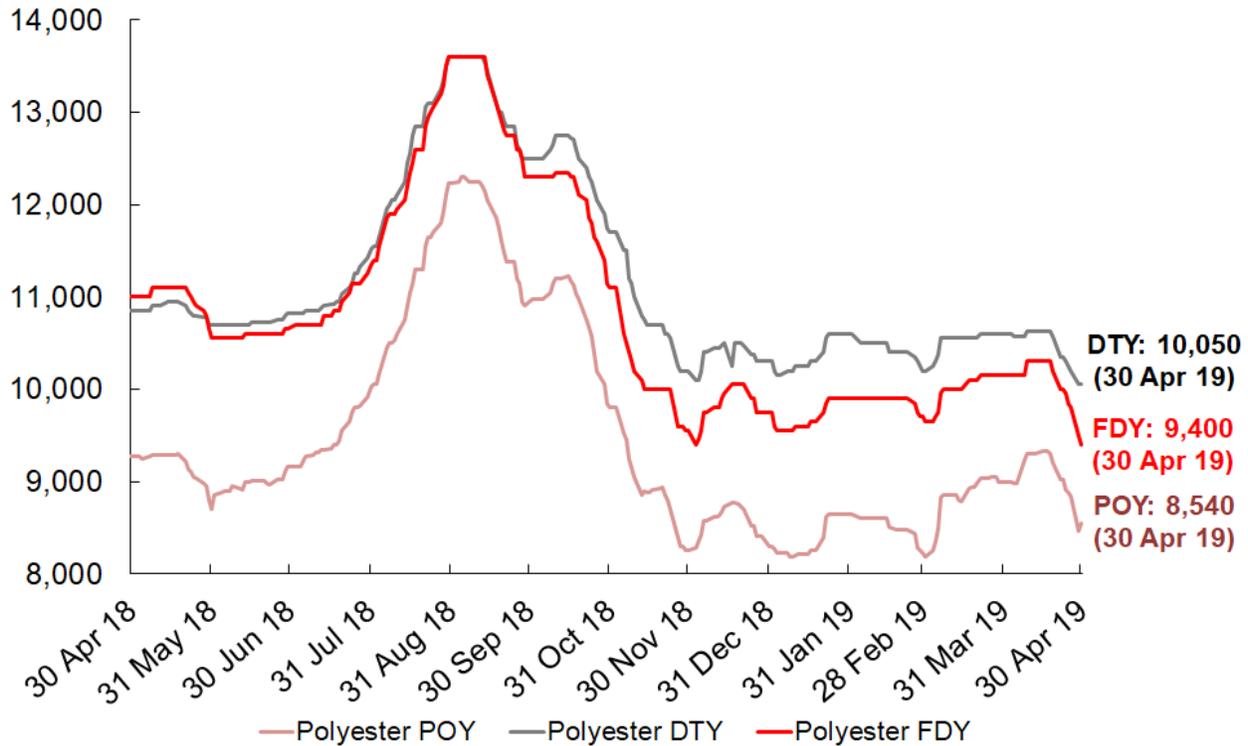
The price indices of polyester¹ stayed relatively stable in the first half of April and went down afterwards. For example, the price index of polyester DTY hovered around 10,600 during early to mid-April and then fell to 10,050 on 30 April, the lowest level since September 2017 (*see exhibit 1*).

The decline in the prices of polyester in late April was due to price cuts made by polyester producers amid high levels of inventory.

Looking ahead, we predict that polyester prices will stay weak in the near future, as the downstream demand is likely to be sluggish.

¹ The indices are compiled by the China Chemical & Fiber Economic Information Network (CCFEI).

Exhibit 1: Price indices of polyester, April 2018 to April 2019



Source: China Chemical & Fiber Economic Information Network

2. Price index of acrylic staple fiber goes up in early April

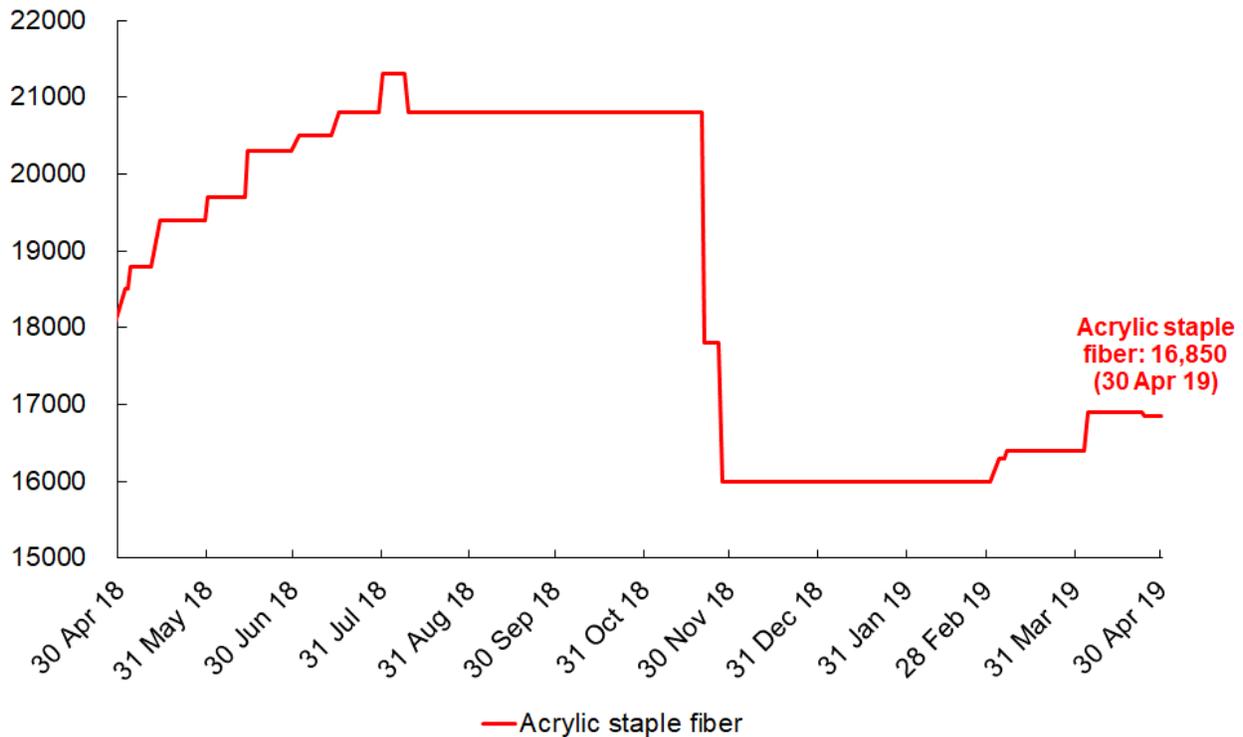
The price index of acrylic staple fiber² increased from 16,400 on 29 March to 16,900 on 4 April, and then stayed high till the end of April, closing at 16,850 on 30 April (see exhibit 2).

The main reason for the rise in the prices of acrylic staple fiber in April was that the prices of acrylonitrile, a major upstream material of acrylic staple fiber, surged in the month.

Looking ahead, we expect the prices of acrylic staple fiber to go up further in the near term, as the prices of acrylonitrile continued to increase in late April.

² The index is compiled by the China Chemical & Fiber Economic Information Network (CCFEI).

Exhibit 2: Price index of acrylic staple fiber, April 2018 to April 2019



Source: China Chemical & Fiber Economic Information Network

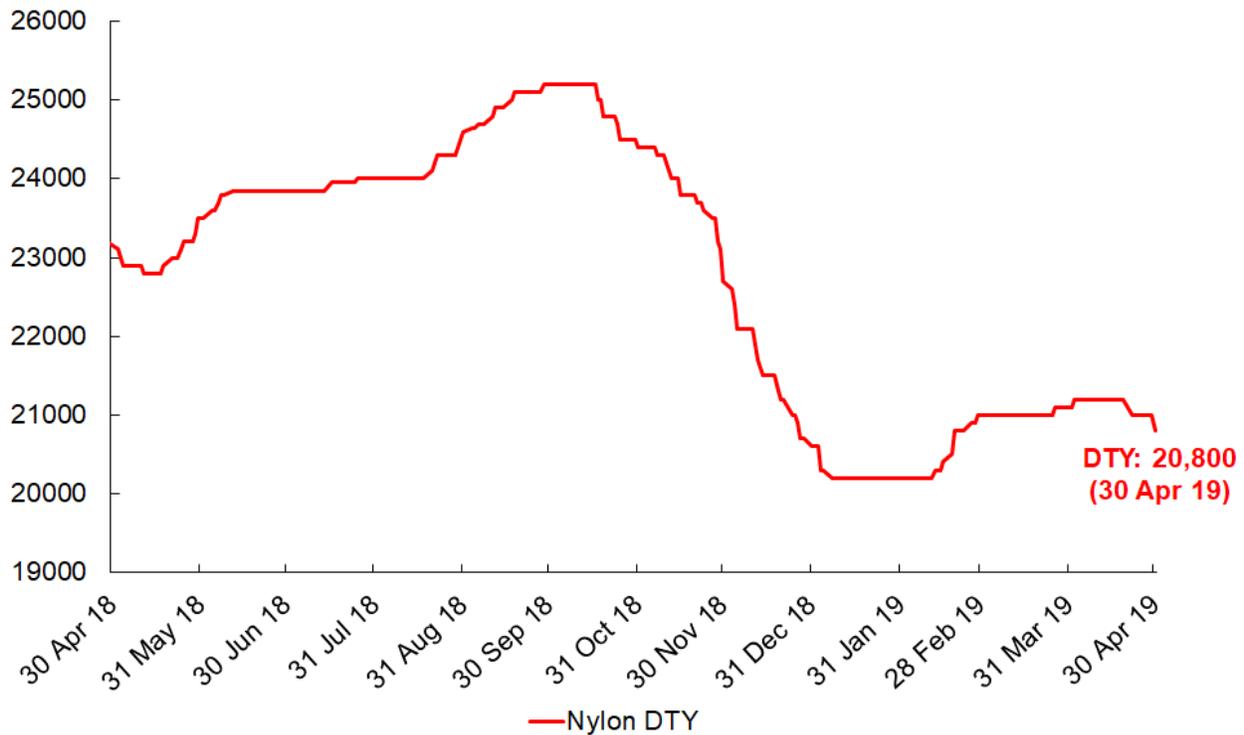
3. Price index of nylon rises and then falls in April

After rising from 21,100 on 29 March to 21,200 on 2 April, the price index of nylon DTY³ dropped in late April and closed at 20,800 on 30 April (see exhibit 3). The drop in the prices of nylon in April was attributed to a sluggish downstream demand.

Going forward, the downstream demand for nylon is likely to remain weak. Therefore, we expect that nylon prices will fluctuate around the current low levels in the coming months.

³ The index is compiled by the China Chemical & Fiber Economic Information Network (CCFEI).

Exhibit 3: Price index of nylon, April 2018 to April 2019



Source: China Chemical & Fiber Economic Information Network

4. Price index of viscose staple picks up in April

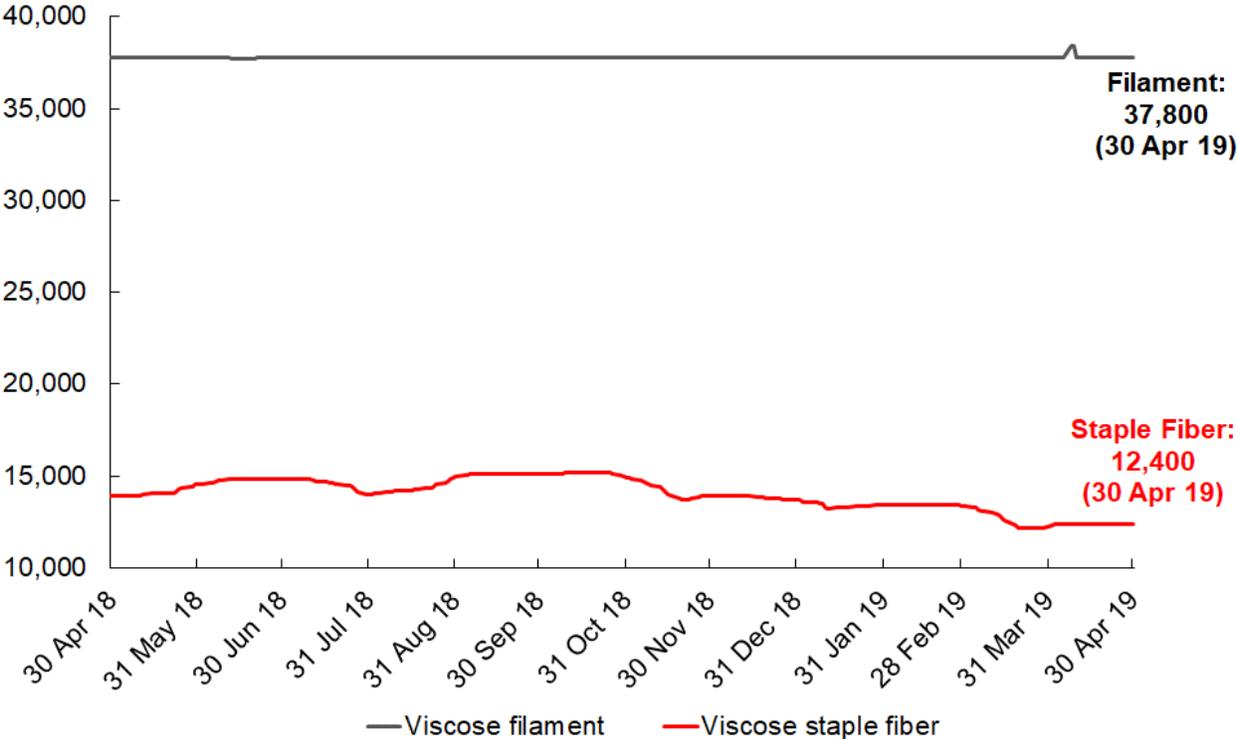
The price index of viscose staple fiber⁴ rebounded from a 3-year low of 12,200 on 29 March to 12,400 on 2 April, and then stayed at the same level till the end of April (see exhibit 4).

The rebound in the prices of viscose staple fiber was triggered mainly by to a reduced supply of the fiber as some viscose plants cut down their production due to operating losses.

Looking ahead, we predict that the prices of viscose staple fiber will fluctuate around the current low levels, given a weak downstream demand.

⁴ The index is compiled by the China Chemical & Fiber Economic Information Network (CCFEI).

Exhibit 4: Price indices of viscose, April 2018 to April 2019



Source: China Chemical & Fiber Economic Information Network

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