



China Sourcing Update

April 17, 2019

Prices of Chemical Textile Materials

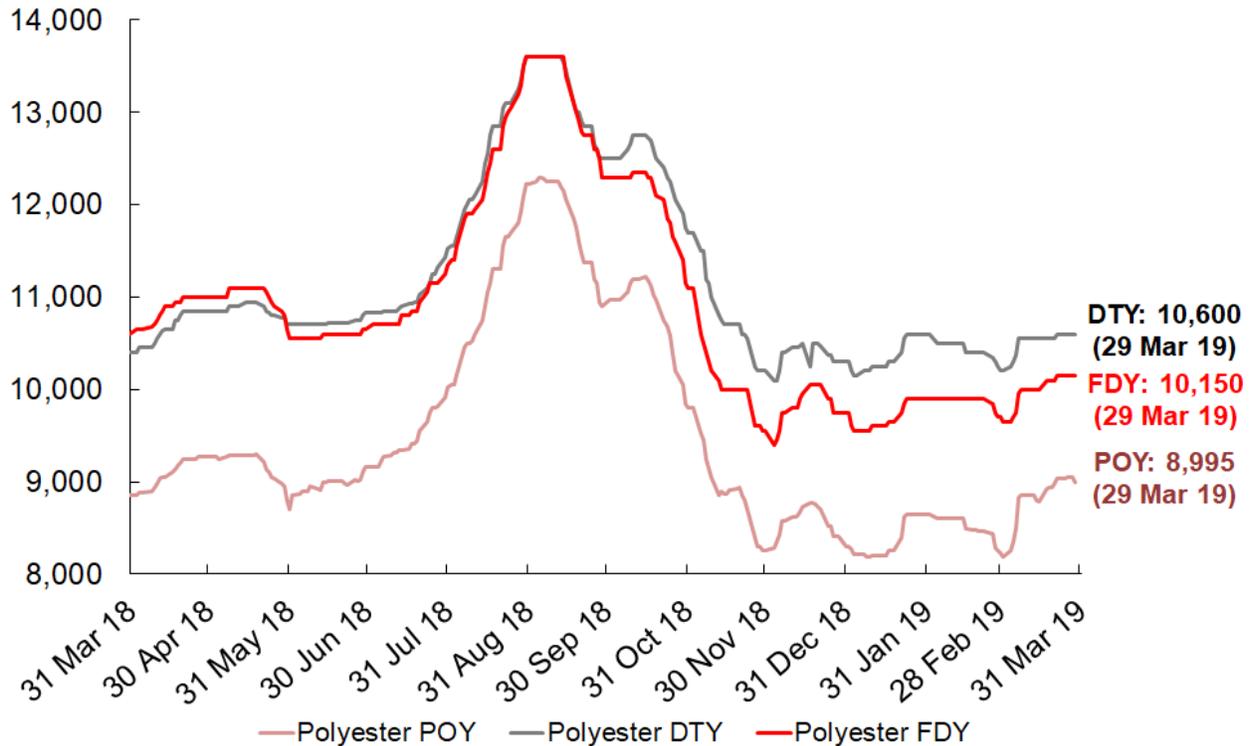
1. Price indices of polyester pick up in March

The price indices of polyester¹ rose in March. For example, the price index of polyester DTY went up from 10,200 on 28 February to 10,600 on 29 March (*see exhibit 1*). The increase in the prices of polyester in March was due mainly to a rise in upstream costs and an improvement in the downstream demand in the month.

Looking ahead, we predict that polyester prices will continue to go up in the near future, as upstream costs are likely to increase further and the downstream demand is expected to stay stable.

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

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



Source: China Chemical & Fiber Economic Information Network

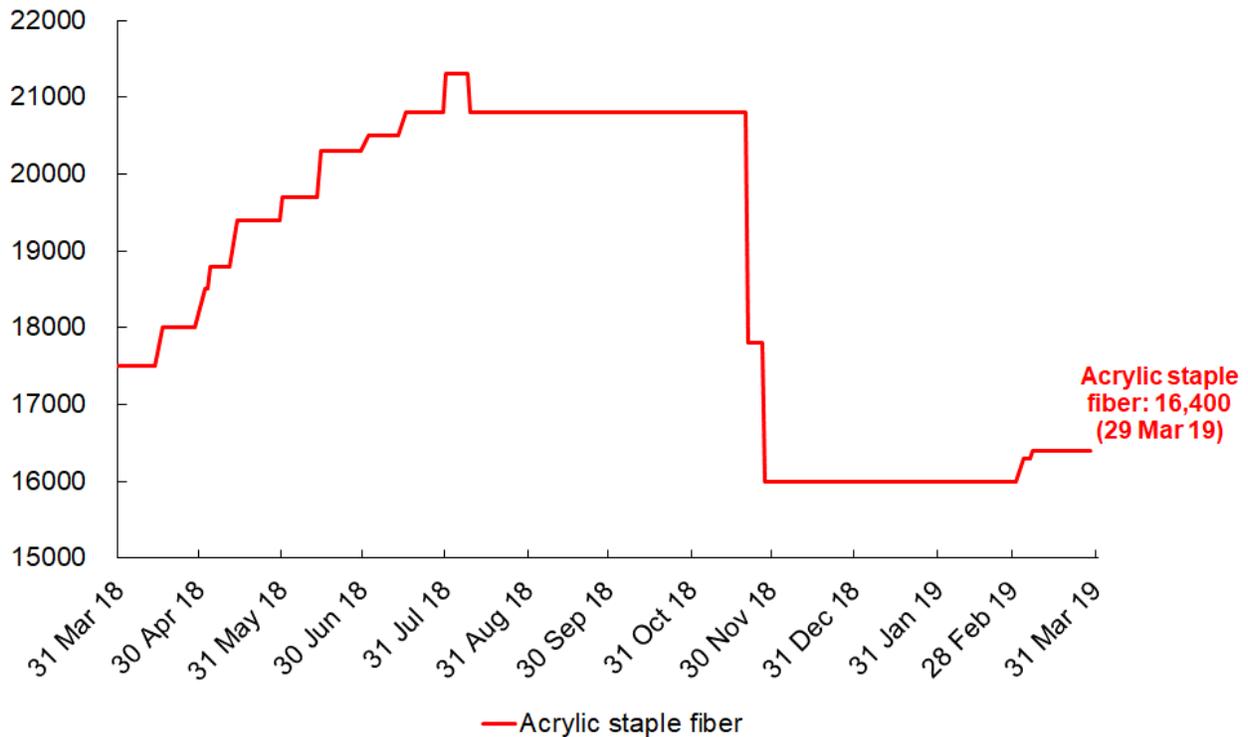
2. Price index of acrylic staple fiber rises in early March

The price index of acrylic staple fiber² rose from 16,000 on 28 February to 16,400 on 7 March, and then stayed at the same level till the end of March (see exhibit 2).

Looking ahead, we expect the prices of acrylic staple fiber to go up in the near term, as the prices of acrylonitrile, a major upstream material of acrylic staple fiber, surged in the first half of April.

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

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



Source: China Chemical & Fiber Economic Information Network

3. Price index of nylon goes up slightly in March

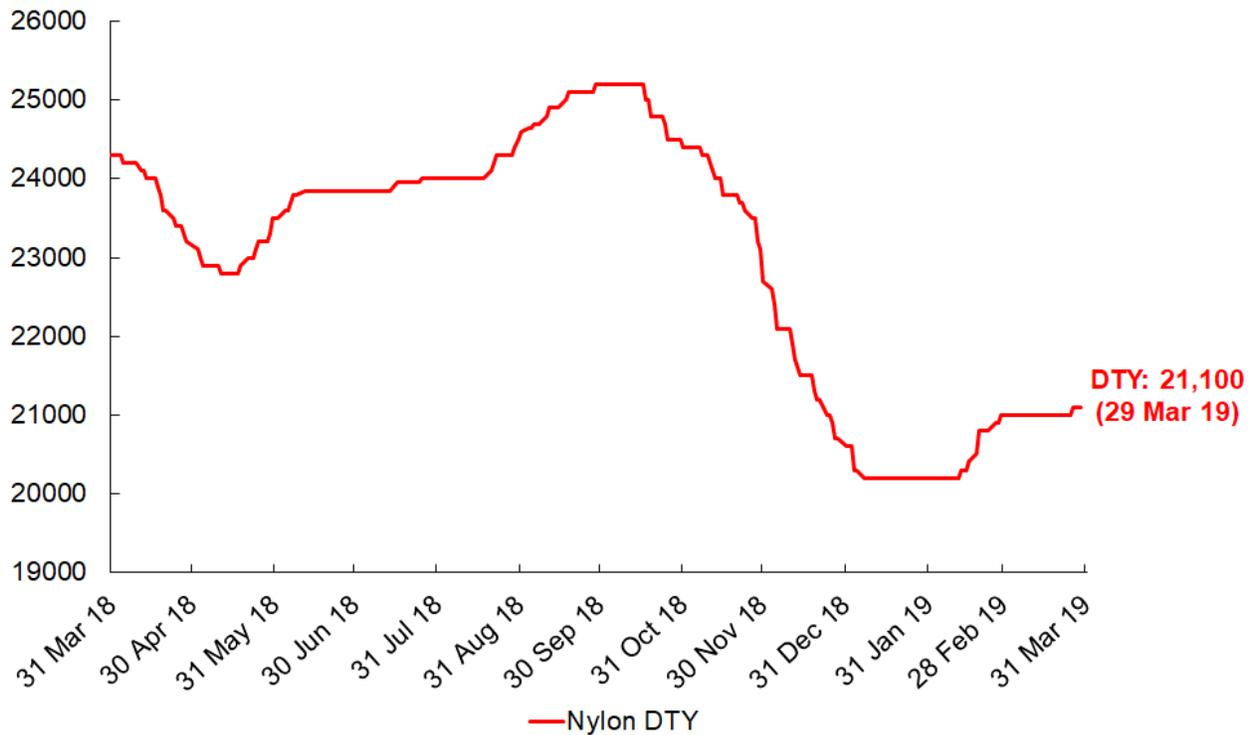
After staying at 21,000 from 27 February to 25 March, the price index of nylon DTY³ rose slightly to 21,100 on 26 March and stayed at the same level till the end of the month (see exhibit 3).

The main reasons for the increase in the prices of nylon in March were high prices of caprolactam, the major raw material of nylon; and an improved downstream demand during the current high season.

According to the latest media reports, the prices of caprolactam have stayed high recently. Therefore, we expect that nylon prices will remain high or even go up slightly in the near term.

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

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



Source: China Chemical & Fiber Economic Information Network

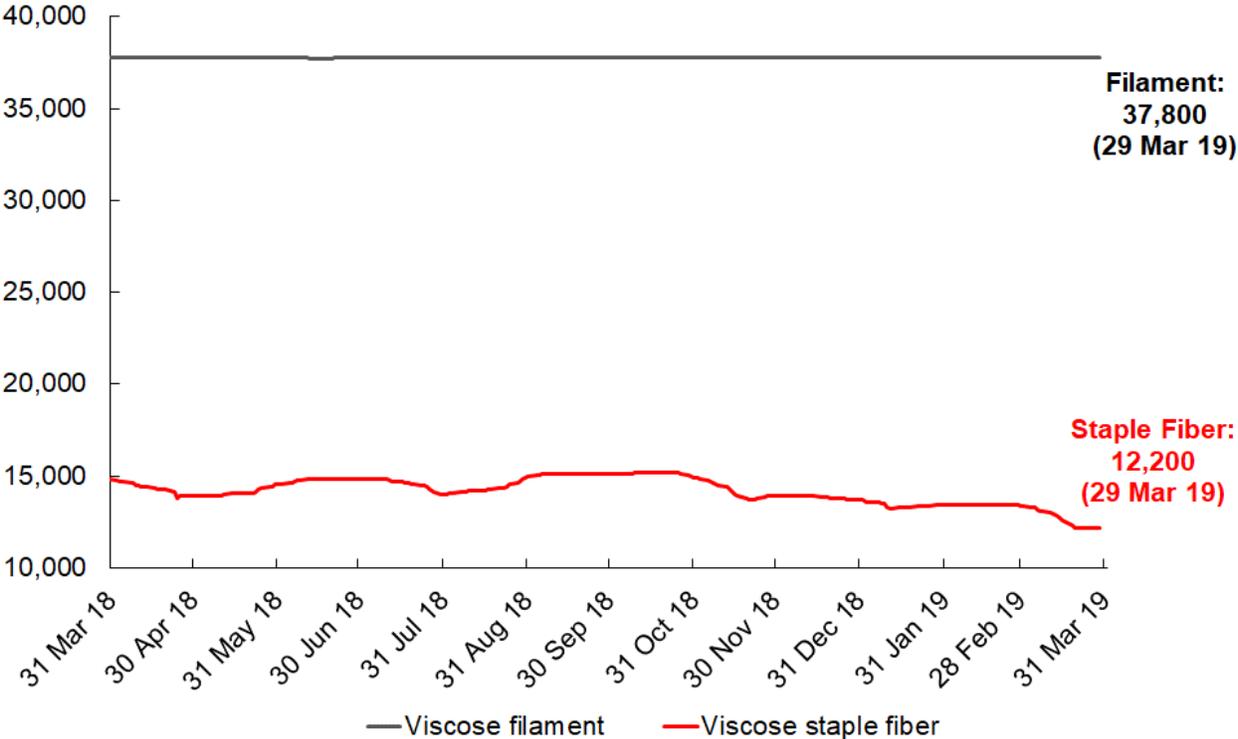
4. Price index of viscose staple fiber plunges in March

The price index of viscose staple fiber⁴ tumbled from 13,380 on 28 February to 12,200 on 29 March, the lowest level since January 2016 (see exhibit 4). The sharp decline in the prices of viscose staple fiber was attributed to price cuts made by producers of viscose staple fiber amid high levels of inventories.

According to media reports, some viscose plants are expected to cut down their production due to operating losses. Therefore, we predict that the prices of viscose staple fiber will rebound soon.

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

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



Source: China Chemical & Fiber Economic Information Network

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CONTACT

Helen Chin
Vice President
helenchin@fung1937.com
(852) 2300 2471

William Kong
Research Manager
williamkong@fung1937.com
(852) 2300 2404

Global Sourcing
Fung Business Intelligence
10/F LiFung Tower
888 Cheung Sha Wan Road
Kowloon, Hong Kong

T: (852) 2300 2470
F: (852) 2635 1598
E: fbicgroup@fung1937.com
W: <http://www.fbicgroup.com>



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