



China Sourcing Update

November 9, 2017

Prices of Chemical Textile Materials

1. Price indices of polyester go up in October

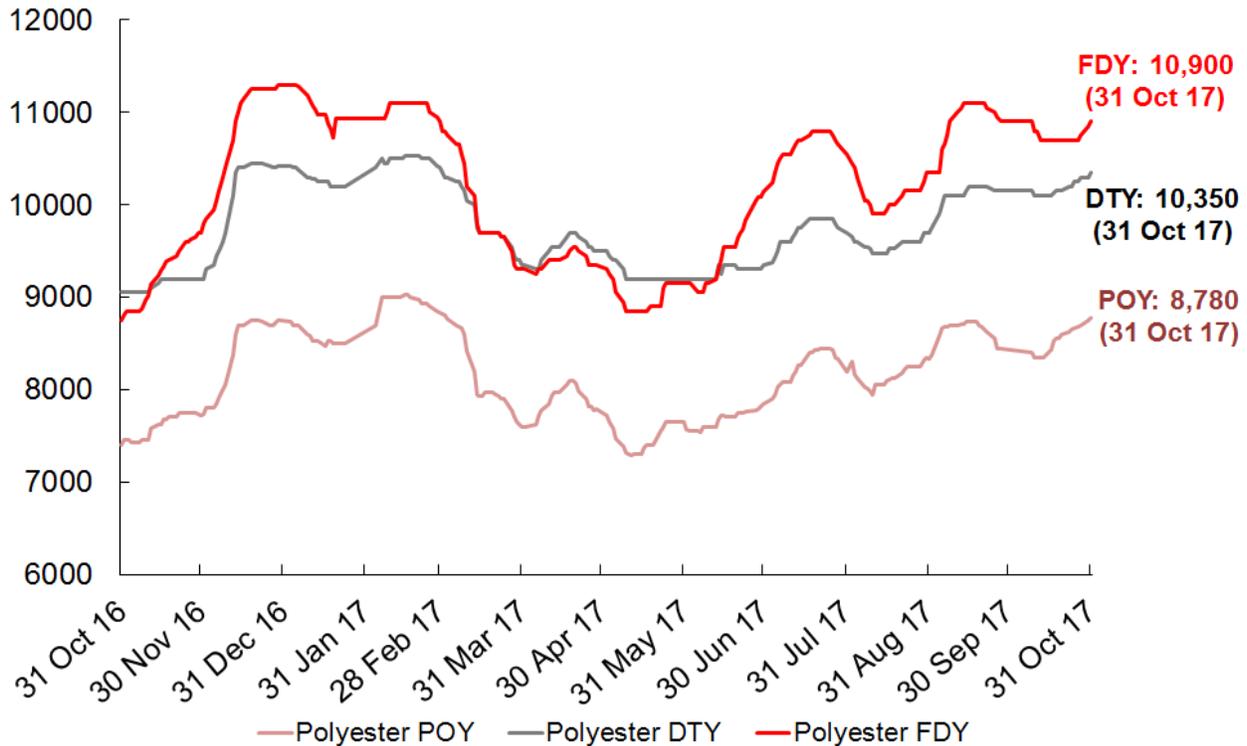
The price indices of polyester¹ rose during mid- to late October (see exhibit 1). For example, the price index of polyester POY climbed from 8,350 on 13 October to an eight-month high of 8,780 on 31 October.

The main reasons for the increase in the prices of polyester in the month were high upstream costs and an improved restocking demand from downstream manufacturers.

Looking ahead, we believe that the prices of polyester will stay high in the near future as upstream costs are likely to remain high and the restocking demand for polyester is expected to stay strong.

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

Exhibit 1: Price indices of polyester, October 2016 to October 2017



Source: China Chemical & Fiber Economic Information Network

2. Price index of acrylic staple fiber rises in October

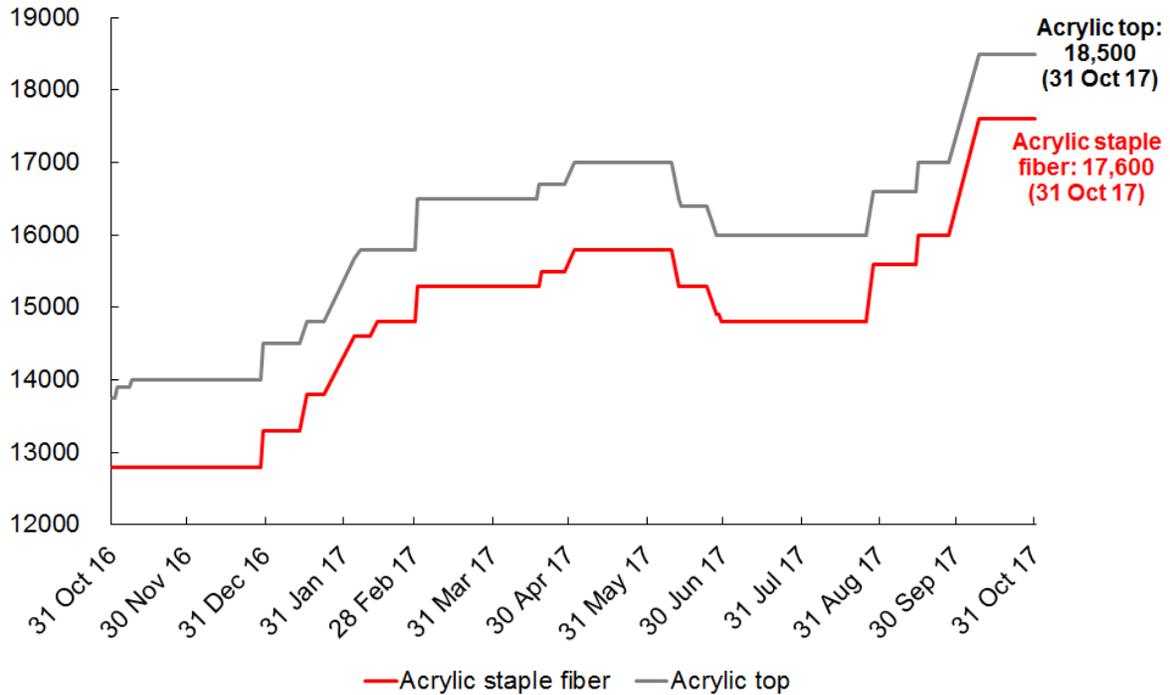
The price index of acrylic staple fiber² jumped from 16,000 on 27 September to 17,600 on 9 October, the first trading day in October, before staying at the same level till the end of the month (see exhibit 2).

The hike in the prices of acrylic staple fiber was mainly attributable to a rise in the prices of acrylonitrile, the major upstream material of the fiber, in early October.

Looking ahead, we expect the prices of acrylic staple fiber to fall in the near future, as the prices of acrylonitrile plunged during mid-October to early November.

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

Exhibit 2: Price indices of acrylic, October 2016 to October 2017



Source: China Chemical & Fiber Economic Information Network

3. Price indices of nylon soar in October

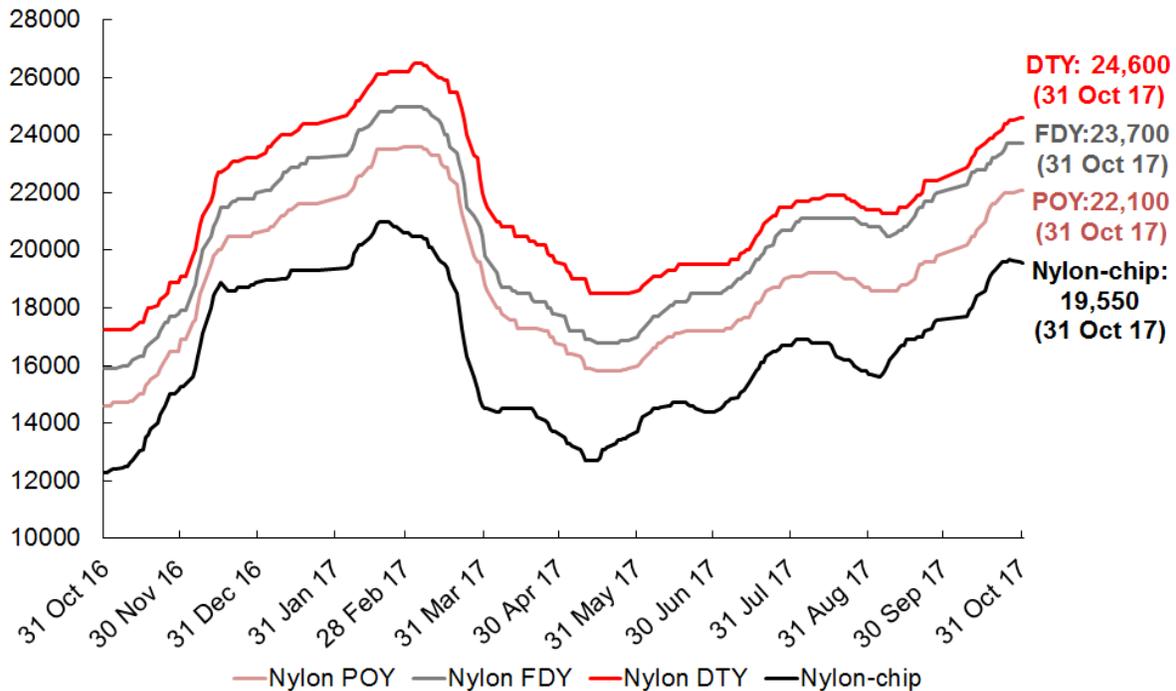
The price indices of nylon³ surged in October. For example, the price index of nylon DTY went up from 22,400 on 27 September to 24,600 on 31 October (see exhibit 3).

The main reason for the rise in nylon prices in the month was a surge in the prices of caprolactam, the major raw material of nylon, due to a tightened supply.

Looking ahead, we expect nylon prices to drop in the near future as upstream costs declined in early November.

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

Exhibit 3: Price indices of nylon, October 2016 to October 2017



Source: China Chemical & Fiber Economic Information Network

4. Price index of viscose staple fiber falls in October

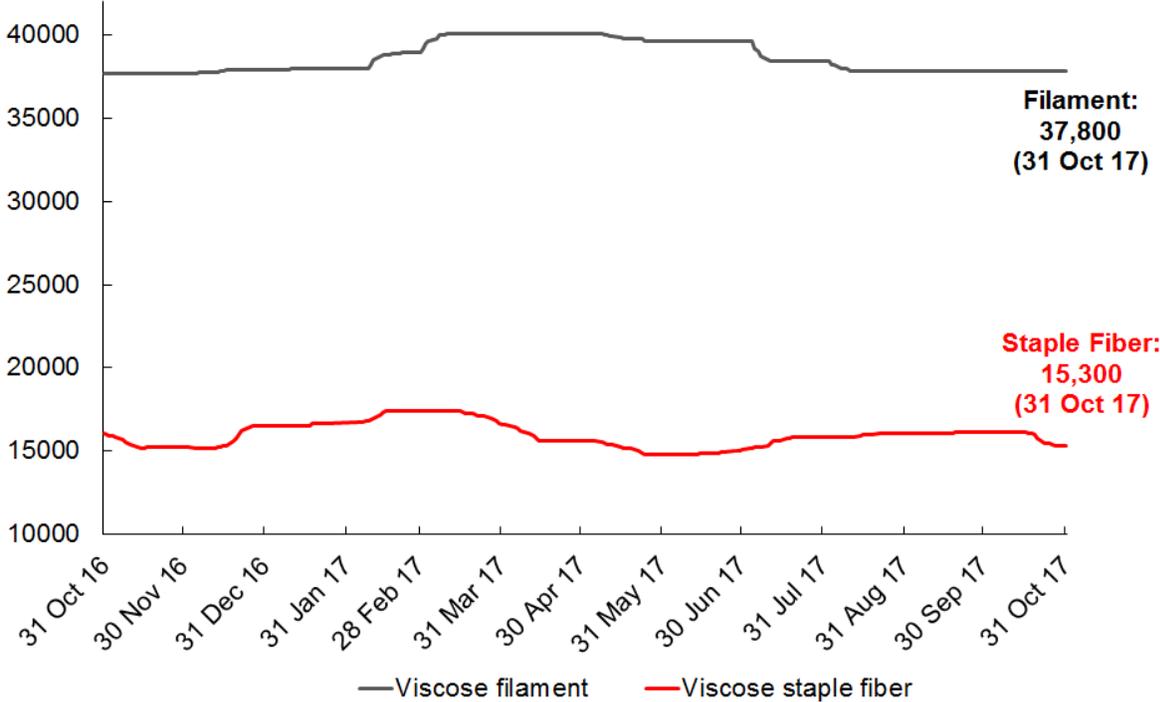
The price index of viscose staple fiber⁴ stayed flat at 16,150 during early to mid-October and went down afterwards, dropping from 16,150 on 16 October to 15,300 on 31 October (see exhibit 4).

The decline in the prices of viscose staple fiber in the second half of the month was due largely to a rise in the supply of the fiber and a soft restocking demand from downstream manufacturers.

Going forward, the downstream demand from textile manufacturers for viscose staple fiber is likely to remain weak as the industry has entered low season. Therefore, we expect the prices of the fiber to stay low in the near future.

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

Exhibit 4: Price indices of viscose, October 2016 to October 2017



Source: China Chemical & Fiber Economic Information Network

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