

China Sourcing Update

Chemical Textile Materials

Price indices of polyester stay low in October

The price indices of polyester¹ have remained low since the sharp decline in early 2020. The price index of polyester DTY, for example, plunged from 8,950 on 21 January to 6900 on 31 March, fluctuated between 6,450 to 7,300 in the following months and closed at 6,950 on 30 October (see exhibit 1).

Polyester prices rebounded slightly in early October, as factories prepared for the fall/winter seasons and the “Double 11” shopping festival by stocking polyester in end-September and early October. However, the prices of PTA, a major raw material for polyester, dropped and led to the decline of polyester prices in end-October.

Going forward, the high inventory levels of PTA will continue to put downward pressure on PTA prices. Meanwhile, downstream demand for polyester is likely to drop as the non-peak period for sourcing is approaching. We therefore expect that polyester prices will remain soft in the near future.

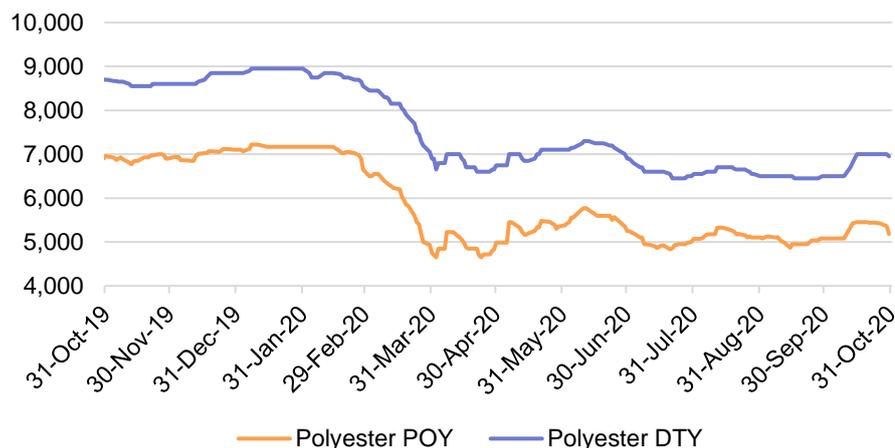
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Exhibit 1: Price indices of polyester, October 2019 to October 2020



Source: China Textile City Group

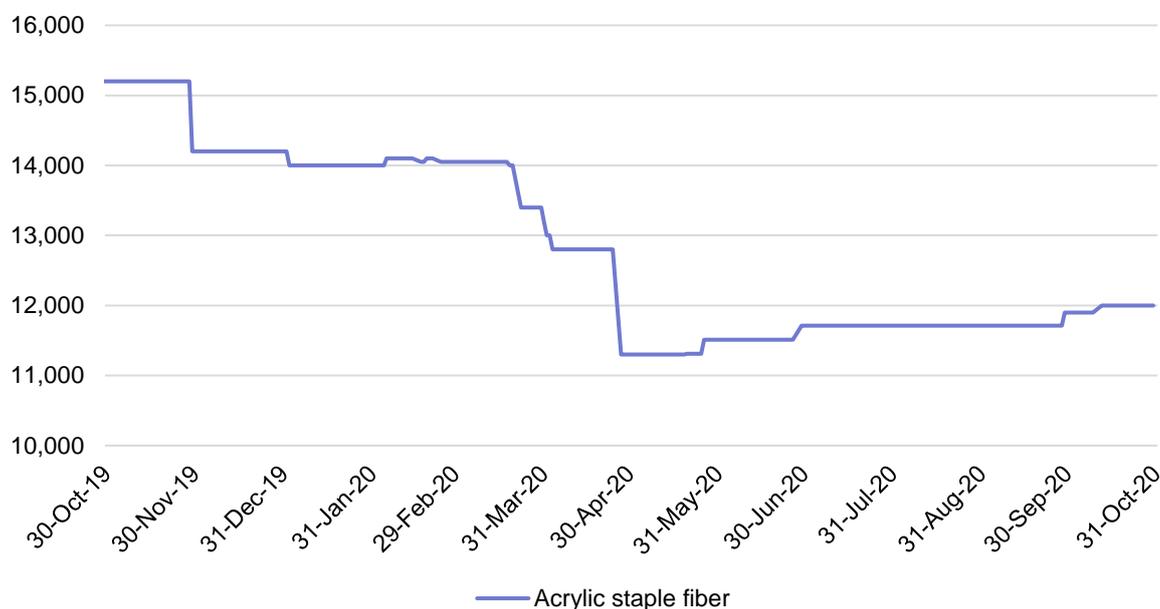
¹ The index is quoted from tnc.com.cn, the online information platform of Global Textile City Group.

Price index of acrylic staple fiber stays flat in October

The price index of acrylic staple fiber² stayed flat at 11,710 from 29 June to 28 September. The index gradually climbed from 11,900 on 29 September to 12,000 on 30 October (see exhibit 2).

Going forward, we expect the prices of acrylic staple fiber remain stable in the near future, as both the prices of acrylonitrile, a major upstream material of acrylic staple fiber, and downstream demand are forecast to stay stable.

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



Source: China Textile City Group

² The index is quoted from tnc.com.cn, the online information platform of Global Textile City Group.

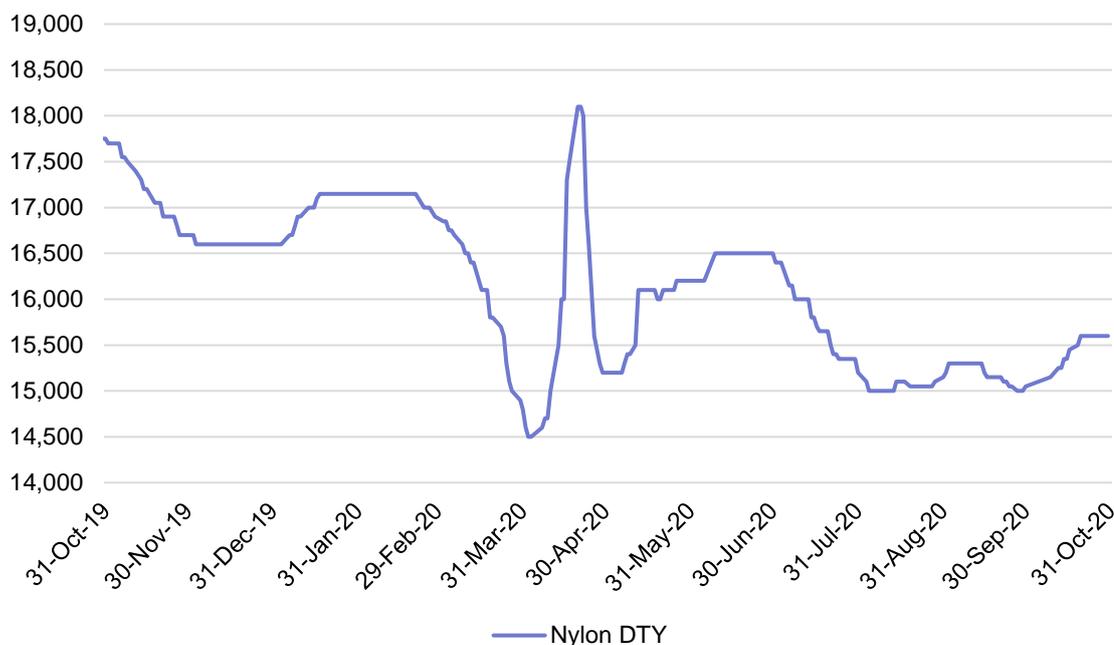
Price index of nylon rebounds in October

The price index of nylon³ rebounded from 15,000 in end-September to 15,600 in end-October (see exhibit 3).

The uptrend of nylon prices in October was attributed to the rise in downstream demand after the Golden Week Holiday and the surge in the prices of caprolactam, a major input material of nylon.

Looking ahead, we expect that nylon prices will continue to increase, although at a mild pace, in the coming months, as downstream demand is likely to moderate and the rise in material prices is likely to slow down.

Exhibit 3: Price indices of nylon, October 2019 to October 2020



Source: China Textile City Group

³ The index is quoted from tnc.com.cn, the online information platform of Global Textile City Group.

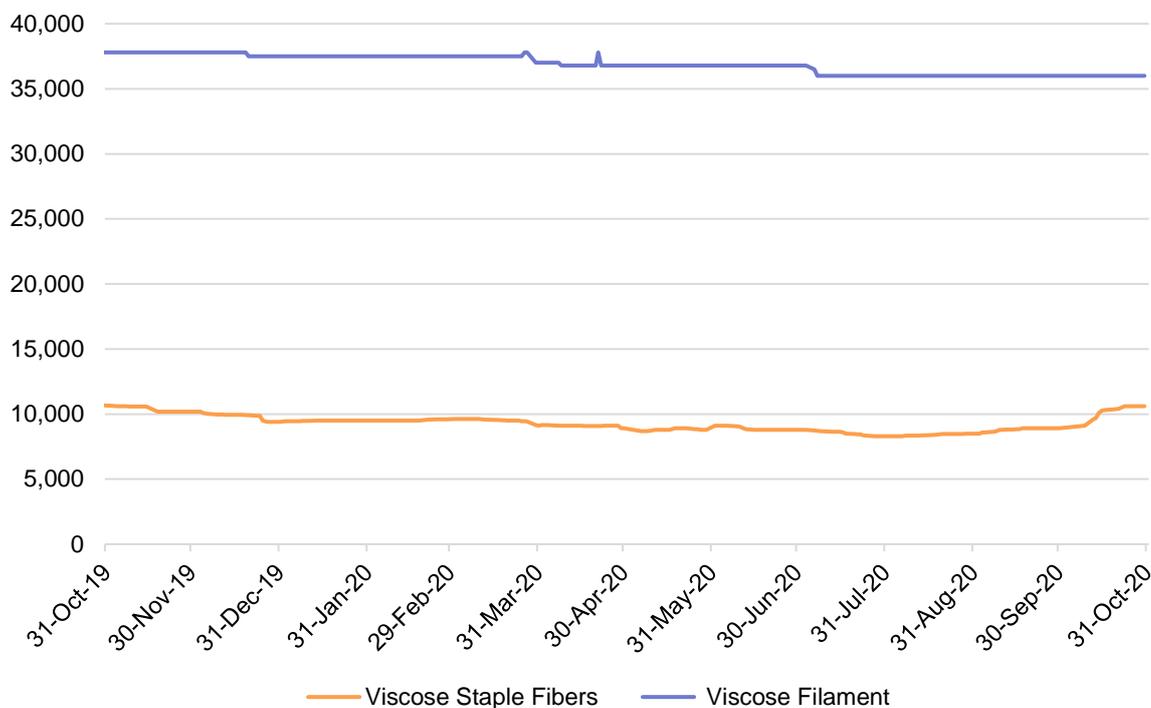
Price index of viscose edges up in October

The price index of viscose⁴ staple fiber picked up from 8,920 on 30 September to 10,600 on 30 October (see exhibit 4).

The main reason for the rise in the prices of viscose staple fiber was a strong downstream demand as factories obtained more overseas orders and prepared for the “Double 11” shopping festival.

Looking ahead, we predict that the prices of viscose staple fiber will stay flat in the near future, as downstream demand is likely to slow down.

Exhibit 4: Price indices of viscose, October 2019 to October 2020



Source: China Textile City Group

⁴ The index is quoted from tnc.com.cn, the online information platform of Global Textile City Group.

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