Global Markets Monthly Review

ISSUE: JANUARY 2017

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TEXTILEBEACON

ALL ABOUT GLOBAL TEXTILES

NOTES TO GLOBAL MARKETS WEEKLY REVIEW

In This Report

Prices covered in this report relate to "Low" of the "Low/High" price range

Price Spread Ratio is the relation of the product with its raw material. It is a conversion cost indicator. For example, MEG produced from ethylene, POY from PTA/MEG, DTY/FDY from POY. In this report price spread, we have, to the best of our knowledge linked the chain to the upstream and to the closest market term.

Next week tendencies

UP = Price will rise, DW = Price will fall, RO = Price will roll over, RO-UP = Price may roll over or rise, RO-DW = Price will roll over or fall.

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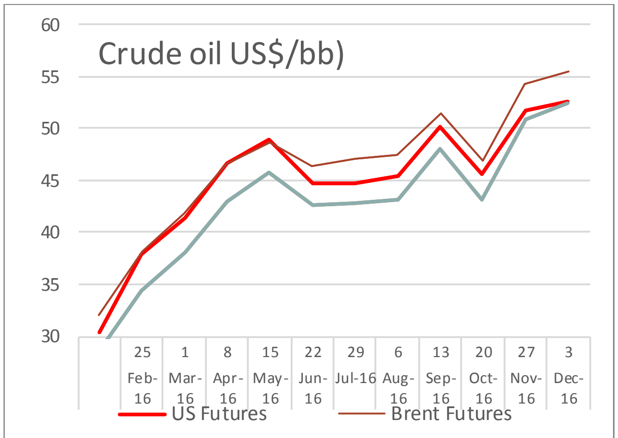
MARKET TERMS USED	
FOB	Free on Board
CIF	Cost + Insurance + Freight
C+F/CNF/CFR	Cost + Freight
FD or Delivered	Free delivery within 300 sq km
Spot	Main market cash transaction
Local	Local main market prices inclusive of all federal and local taxes
Contract	Producers' nominated price for the month
Producers Offer	Ex-factory price

MARKETS BY REGIONS			
FE Asia	South East Asia	S. West Asia	Europe
China	Thailand	India	Rotterdam
Korea	Malaysia	Pakistan	ARA
Taiwan	Indonesia		Turkey
Japan	Phillipines		
	Singapore		

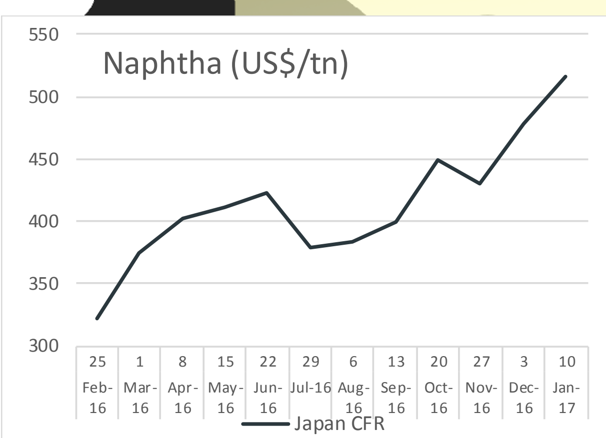
The Polyester Chain

Crude oil & Naphtha

Crude oil prices edged up in January after producers' compliance meeting of the world's top oil producers was held to demonstrate compliance to a global output cut deal, but rising US drilling activity limited gains. Crude prices had



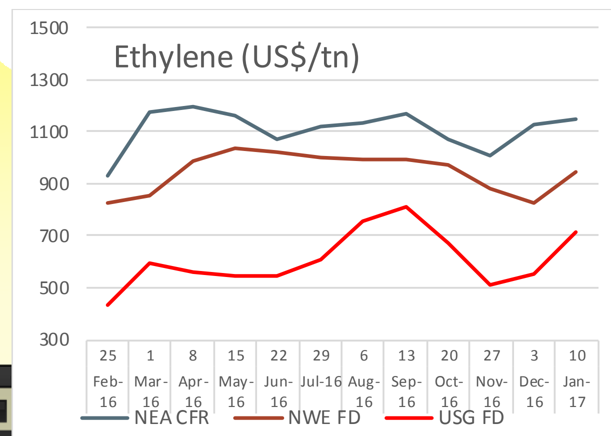
jumped more after Saudi Arabia's Energy Minister Khalid al-Falih told the World Economic Forum in Davos, that 1.5 million barrels a day of the roughly 1.8 million in cuts pledged by OPEC and non-OPEC countries, were already been taken out of the market. US crude prices jumped 0.9% on the month while Brent was up 0.8% as compared to previous month's average. US Futures averaged US$52.56 a barrel, up US$0.45 from December and Brent averaged US$55.51 a barrel, up US$0.46 on the month.



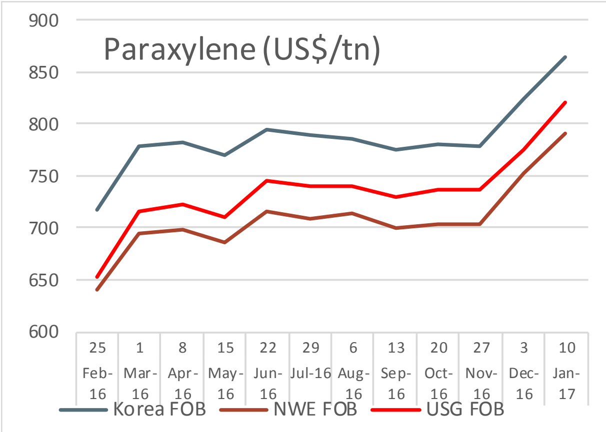
Naphtha cracks soared to a one-year high during the month while the market structure widened further in backwardation on persistent concerns over supply following a spate of refinery outages. Asian naphtha market remained supported by strong North Asian demand, which pulled up CFR premiums to near double digits. For January, spot naphtha prices rose 7.4% on the month to average US$515.91 a ton CFR Japan.

Ethylene & Paraxylene

Ethylene prices in Asian markets hit a 4-month high in January while the difference between North and South East widened again. In Europe, ethylene spot climbed amid marginal tightening of material as producers built inventory due to maintenance. In US, ethylene spot rose to a 3-month high as ExxonMobil begins Louisiana turnaround. Prices averaged US$1,012.75-1,014.75 a ton CFR SE Asia, up 3.2% from December while European spot rose 10.8% to average Euro888.25-892.25 a ton FD NEW. US spot prices surged 29% on the month to average US cents 32.41-32.91 per pound FD USG.

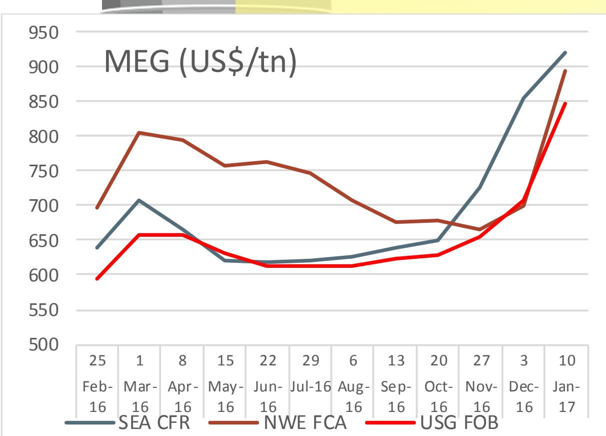


Paraxylene prices in Asian markets were at 18-month highs in January as regional supply was constrained by production issues, while market sentiment remained bullish. In US, paraxylene spot saw gains as Asia pulled US pricing higher. In Europe, paraxylene spot gained as fundamentals held firm on supply-demand mismatch. Asian marker, the CFR China averaged US$883.84-884.84 a ton, up 3.8% from last month while European paraxylene were up 4.6% to US$790.75 a ton FOB Rotterdam. In US, spot paraxylene was at US$845 a ton FOB USG, up 8.9% on the month.

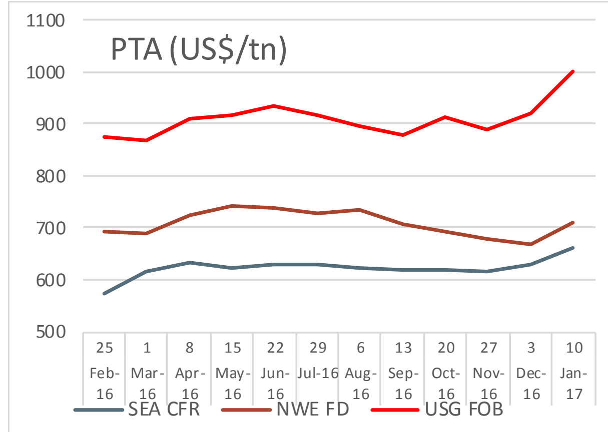


MEG, PTA, Chips

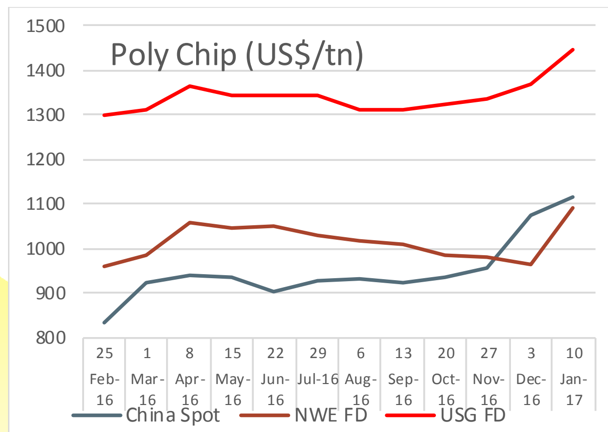
Mono ethylene glycol markets in China gained in January amid bullish market outlook post-Lunar New Year and concerns about tighter supply in February. In US, MEG spot climbed to a fresh 18-month high as February contracts were expected higher with continued pressure from rising Asian pricing. European MEG spot prices climbed as bullish ethylene contributed to the increase. MEG prices averaged US$918.75-923.75 a ton FOB SE Asia, up 4.8% in January while European spot was at Euro660 a ton NWE FCA, up 40.9% from December. US spot was at US cents 39.75-40.75 per pound FOB USG, up 26.2% on the month.



PTA prices were up in Asia in line with the rise in raw material paraxylene values amid tight supply. In Europe, PTA January net contract price was assessed up, largely tracking the firmer initial settlement of the January paraxylene, which increased on the month. Prices averaged US$650-652 a ton CFR China, up 3.8% from December while European price was at Euro675-709 a ton FD NWE, up 5.5% on the month.

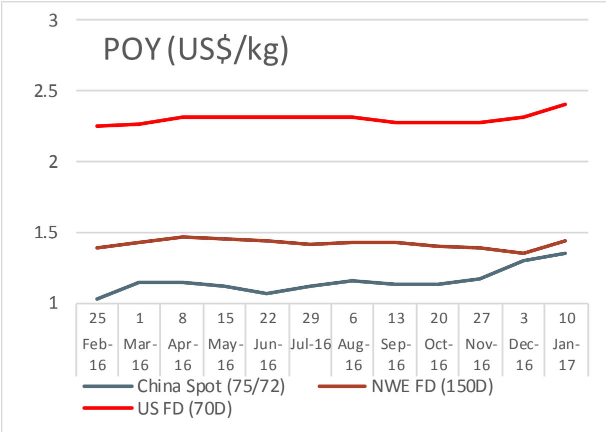


Polyester chip prices were stable to up while trading was insipid. Offers for semi dull chips rose 1.7% to US$1,115-1,130 a ton and super bright chip inched up 1.3% to US$1,097-1,111 a ton.

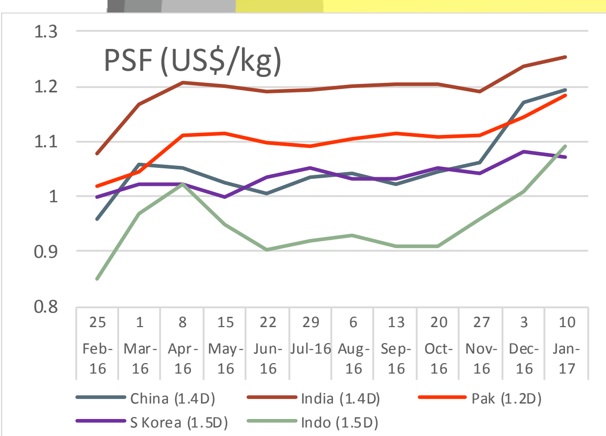


PFY & PSF

Polyester filament yarn markets in Asia were quiet in January and prices remained stable amid thin spot trades. In India, after cost rising for several weeks, POY prices were lifted to partially cover cost amid modest trades while downstream maintained the need-to basis demand for lowest production. In Pakistan, selling indications for DTY yarn were rolling over amid unstable raw material trend. In China, POY 75/72 prices were up US cents 3 at US$1.34-1.36 a kg in Shengze while Indian POY 130/34 prices were up US cents 13 at US$1.38 a kg. In Pakistan, 300/96 DTY prices were at US$0.61-0.71 a pound, unchanged on the month. Polyester staple fibre markets in China were calm as holiday atmosphere in the overall polyester market got strong with

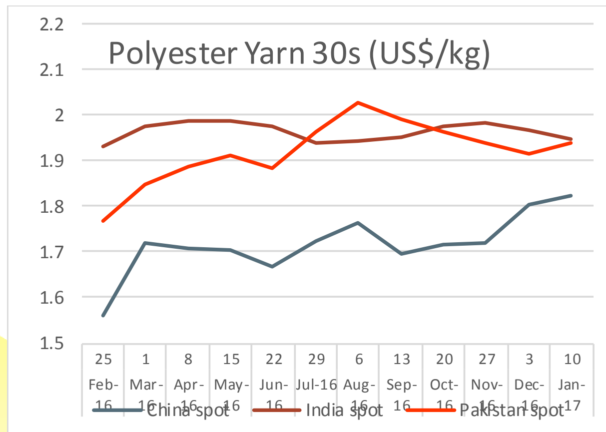


the Spring Festival by the end of month. In India, PSF prices rolled over after they were hiked mid-December as cotton prices have started sobering. In Pakistan, PSF prices have been stable during the month since the increase in December. In China, 1.4D PSF was at US$1.19-1.21 a kg, rolled over from December. In India, 1.2D PSF prices were at US$1.25 per kg, unchanged from previous month. In Pakistan, prices in Karachi were at US$1.18-1.20 a kg, up US cents 3 on the month.



POLYESTER YARN

Spun polyester yarn prices in January edged down in China amid poor enquiries and transactions. In India, polyester yarn prices inched up as spinners reported fall in production and also jump in inventory at the same time. In Pakistan, rising PSF prices pushed polyester spun yarn prices to increase sharply during the month. In Shengze, offers for 32s polyester yarn were at US$1.82-1.85 a kg, down US cents 4 from December. In India, 30 polyester knit yarns were at US$1.95 a kg, up US cents 2 in Ludhiana market. In Pakistan, 30s spun polyester was at US$2.55 a kg, up US cents 21 a kg.



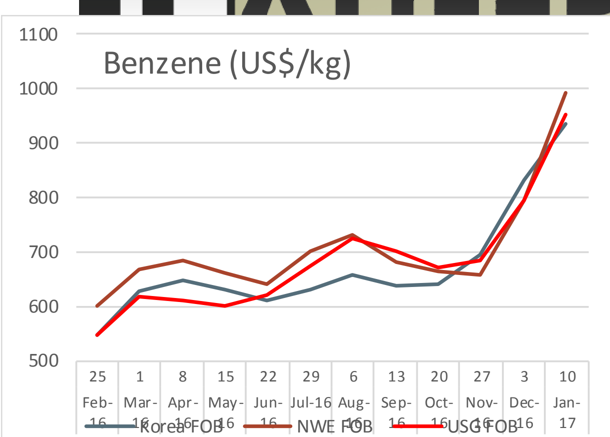
Polyester Chain									
Product Specs	Market	Term	Last 12 mths Low	Last 12 mths High	2016	Dec-16	Jan-17	% YoY	Next mth
Crude Oil (US$/barrel)									
NYMEX Future	USA	Futures	30.43	52.66	44.99	51.64	52.66	66.4	RO-UP
Europe brent	IPE	Futures	32.00	55.51	46.34	54.19	55.51	80.8	RO-UP
OPEC	Middle East	Average	28.65	52.43	42.74	50.83	52.43	97.8	RO-UP
Naphtha (US$/ton)									
	Japan	CFR	322	516	414	477	516	49.0	RO-UP
	Rotterdam	Barges FOB	237	404	322	366	404	56.7	RO-UP
Price Spread (Ratio)									
Japan CFR / US crude Futures			1.44	1.34	1.25	1.26	1.34		
Rotterdam FOB / European Brent			1.01	0.99	0.95	0.92	0.99		
Ethylene (US$/ton)									
	NE Asia	CFR	927	1,194	1,107	1,123	1,144	15.8	UP
	NW Europe	FD Spot	827	1,033	945	828	944	10.9	RO-UP
	US Gulf	FD	434	814	609	552	714	83.2	UP
Price Spread (Ratio)									
NE CFR / Japan CFR naphtha			2.88	2.31	2.68	2.35	2.22		
NWE FD Spot / Rott naphtha			3.49	2.56	2.93	2.27	2.34		
Paraxylene (US$/ton)									
	Korea	FOB	718	1,156	1,045	825	864	23.5	UP
	China/Taiwan	CFR	738	884	807	845	884	22.7	UP
	Europe	FOB	640	661	623	753	791	26.0	RO-UP
	US Gulf	FOB	653	821	735	775	821	25.6	RO-UP
Price Spread (Ratio)									
Korea FOB / Japan CFR naphtha			2.23	2.24	2.53	1.73	1.67		
Europe FOB / Rott naphtha			2.70	1.64	1.93	2.06	1.96		
Mono Ethylene Glycol (US$/ton)									
	SE Asia	CFR	619	921	691	855	921	59.2	RO-DW
	China	CFR	616	919	688	853	919	59.7	RO-DW
	Europe	FCA	667	894	741	701	894	27.7	RO-DW
	US Gulf	FOB	595	847	654	707	847	53.8	RO-DW
Price Spread (Ratio)									
SE CFR / NE Asia CFR ethylene			1.11	1.29	1.04	1.27	1.34		
China CFR / NE Asia CFR ethylene			1.11	1.28	1.04	1.27	1.34		
Europe FCA / FD ethylene			1.34	1.44	1.31	1.41	1.58		
US FOB / FD ethylene			2.29	1.73	1.79	2.14	1.98		
Purified Terephthalic Acid (US$/ton)									
	SE Asia	FOB	575	661	623	680	661	16.5	RO-UP
	China	Spot	600	688	681	623	650	18.5	RO-UP
	Europe	FD	667	741	709	667	709	4.9	RO-UP
	USG	FOB	868	1,001	911	922	1,001	14.2	RO
Price Spread (Ratio)									
SE Asia / Korea FOB Px			1.20	0.85	0.89	1.14	1.14		
Europe FD / Europe FOB Px			1.56	1.67	1.70	1.32	1.34		
USG FOB / US FOB Px			1.99	1.82	1.85	1.78	1.82		
Polyester Chips (US$/ton)									
Semi-dull, fibre grade	Taiwan / Korea	FOB	1,009	1,206	1,094	1,185	1,206	21.2	RO-UP
Semi-dull, fil grade	China	Spot	833	1,115	949	1,075	1,115	36.7	RO-UP
Fibre grade	Europe	FD	960	1,089	1,014	966	1,089	15.1	RO-UP
Fibre grade	USA	FD	1,300	1,448	1,342	1,367	1,448	9.3	RO
Price Spread (Ratio)									
Taiwan-Korea SD chips/ SE FOB PTA-MEG			1.41	1.34	1.40	1.40	1.34		
Europe fib gr / Europe FD PTA-MEG			1.18	1.14	1.16	1.17	1.17		
USA fib gr / USA FD PTA-MEG			1.35	1.24	1.31	1.30	1.24		
Polyester Filament Yarn (US$/kg)									
POY 75/72	Shengze	Spot	1.01	1.32	1.14	1.28	1.32	31.4	RO
POY 115 / 108 POY	India	Spot	1.17	1.48	1.39	1.37	1.48	24.4	RO
POY 150 D POY	Europe	FD	1.35	1.46	1.41	1.35	1.43	4.7	RO

POY 70 D	USA	FD	2.25	2.40	2.30	2.31	2.40	4.8	RO
Polyester Staple Fibre (US$/kg)									
Virgin fibre									
1.4D/38mm directly melt spun	China	Spot	0.96	1.19	1.06	1.17	1.19	26.9	UP
1.0-1.2D 38mm	Pakistan	Spot	1.02	1.18	1.10	1.14	1.18	13.4	UP
1.4 D/38mm SD	India	Spot	1.08	1.25	1.19	1.24	1.25	15.3	UP
1.5D spinning fibre	S Korea	FOB	1.00	1.08	1.04	1.08	1.07	1.9	RO-UP
1.5D spinning fibre	Indonesia	CIF	0.85	1.09	0.95	1.01	1.09	23.9	RO-UP
1.2/1.5D	Europe	FD	1.20	1.29	1.25	1.20	1.26	3.8	RO-UP
1.7dtex	USA	FD	1.76	1.90	1.81	1.83	1.90	4.9	RO-UP
Re-cylced									
3-dimensional-crimp hollow 6-15D	East China	Spot	0.97	1.13	1.03	1.08	1.13	9.4	
100% Polyester Spun Yarn									
21s	China	Spot	1.38	1.68	1.56	1.65	1.68	23.6	RO-UP
20s	Pakistan	Spot	2.07	2.22	2.12	2.17	2.22	8.0	UP
30s	China	FOB	1.47	1.66	1.57	1.59	1.56	5.0	RO-UP
30s	India	Spot	1.93	1.99	1.96	1.97	1.95	0.0	UP
30s	Pakistan	Spot	2.27	2.52	2.35	2.35	2.52	11.0	UP
32s	China	Spot	1.56	1.82	1.72	1.81	1.82	19.2	RO-UP

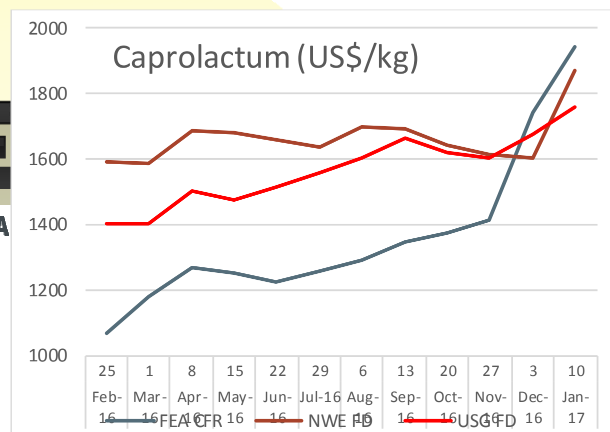
The Nylon Chain

Benzene

Benzene prices in January rose in Asian markets on thin supply and few trades. In US, spot benzene rallied to another 25-month high as upward momentum resumed amid renewed buying interest and still tight supply. In Europe, benzene prompt fundamentals were extremely tight as February rose in line with January. Asian marker, FOB Korea rose 11.2% in January to average US$936.63-937.63 a ton while US spot prices surged 17.4% to US cents 318.20-318.30 per gallon FOB USG. European spot was up 21.5% to average US$991[illegible]99[illegible]50 a ton CIF ARA and FOB Rotterdam.

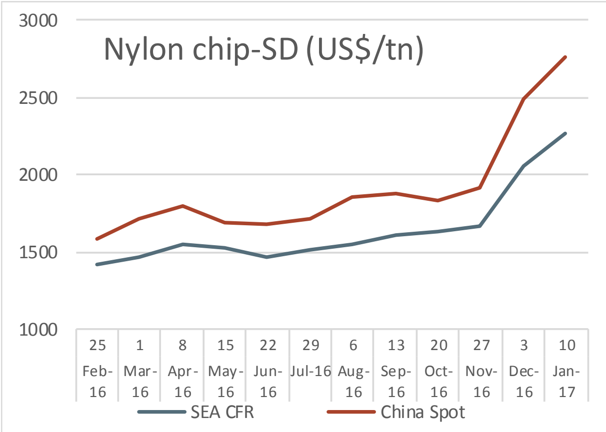


Caprolactum prices inched up on the back of moderate demand and recovering benzene amid tight supply. In China, both liquid and solid goods prices moved up. In contract, Sinopec and Fibrant Chemical announced settlement for January lower than their respective nominations. Downstream, run rates of polymerization units were at 70% and inventory up to 4 days' worth. Asian caprolactam spot prices averaged US$1,942.50-2007.50 a ton in January, up 7.2% from last month. Sinopec settled its January contract US$2,590 a ton while Fibrant settled its January to US$2,600 a ton.

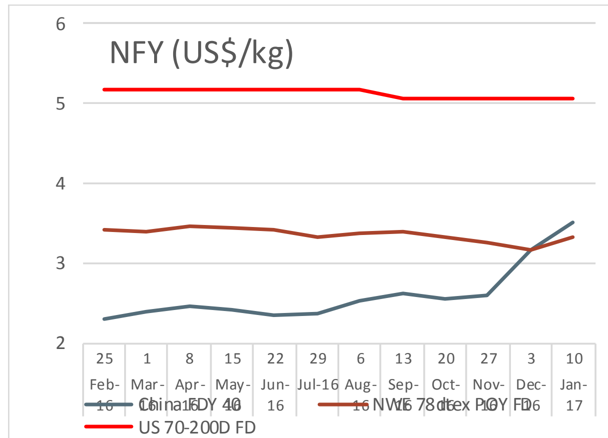


Nylon Chips & NFY

Nylon chip prices in January were hiked on support of surging raw material benzene and caprolactum prices during the month. In China, discussions for high-speed spinning semi-dull nylon-6 chip were heard raised while low-quality



goods were also talked up. In the meantime, staple fiber and monofilament makers saw narrow losses. Offers for Taiwan-origin chips averaged US$2,269-2,319 a ton, up 6.8% from last month. In China, bright conventional spinning nylon-6 chips were priced at US$2,666-2,939, up 5% from December while semi-dull chips were offered at US$2,760-2,859 a ton, up 7.7% on the month. Nylon filament yarn offers in January headed north on cost push as caprolactum and nylon chip prices surged on cost push and supply constraints. Markets turned stable to firm on the back of high-priced nylon chips but buying interest was mute at high price. Demand remained lusterless and converters cut production. In China, semi-dull FDY70D/24F was traded at US$3.29-3.36 a kg, up US cents 28 from previous month while FDY40D were at US$3.50-3.65 a kg, up US cents 23 on the month.



Nylon Chain

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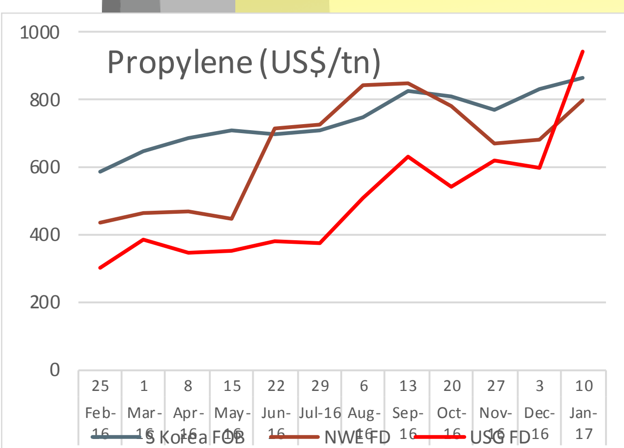
Crude Oil (US$/barrel)									
NYMEX Future	USA	Futures	30.43	52.66	44.99	51.64	52.66	66.4	RO-UP
Europe brent	IPE	Futures	32.00	55.51	46.34	54.19	55.51	80.8	RO-UP
OPEC	Middle East	Average	28.65	52.43	42.74	50.83	52.43	97.8	RO-UP
Naphtha (US$/ton)									
	Japan	CFR	322	516	414	477	516	49.0	RO-UP
	Rotterdam	Barges FOB	237	404	322	366	404	56.7	RO-UP
Benzene (US$/ton)									
	Korea	FOB	546	937	674	831	937	69.9	DW
	SE Asia	FOB	530	940	666	833	940	76.1	DW
	Rotterdam	FOB	601	992	706	794	992	59.7	RO-DW
	US Gulf	FOB	547	952	683	795	952	66.3	RO-DW
Price Spread Ratio									
Korea FOB / Naphtha CFR Japan			1.70	1.82	1.63	1.74	1.82		
SE Asia FOB / Naphtha CFR Japan			1.65	1.82	1.61	1.75	1.82		
Rotterdam FOB / Naphtha FOB Rott			2.54	2.46	2.19	2.17	2.46		
Caprolactum (US$/ton)									
	SE/FE Asia	CFR	1,065	1,943	1,363	1,742	1,943	73.4	DW
Liquid goods	China	Spot	1,440	2,597	1,762	2,302	2,597	81.7	DW
Solid goods	China	Spot	1,484	2,593	1,785	2,426	2,593	74.4	DW
Sinopec	CFR Asia	Contract	1,534	2,691	1,841	2,501	2,691	71.4	DW
Fibrant	CFR Asia	Contract	1,543	2,699	1,844	2,334	2,699	71.0	DW
Price Spread Ratio									
SE/FE Asia CFR / Korea benzene FOB			1.95	2.07	2.02	2.10	2.07		
Nylon Chips US$/ton)									
SD high speed spinning	SE Asia	CFR	1,418	2,269	1,642	2,050	2,269	54.9	RO-DW
SD high speed spinning	Taiwan	FOB	1,420	2,300	1,649	2,066	2,300	57.0	RO-DW
SD high speed spinning	China	Spot	1,589	2,760	1,910	2,487	2,760	70.4	RO-DW
Conventional Spng Chips	China	Spot	1,563	2,666	1,828	2,458	2,666	69.3	RO-DW

Price Spread Ratio									
SE Asia SD chip / SE Asia Capro CFR			1.33	1.17	1.21	1.18	1.17		
Nylon Filament Yarn (US$/kg)									
FDY 70D/24F SD	China	Spot	2.14	3.29	2.40	2.92	3.29	52.3	DW
DTY 70D/24F SD	China	Spot	2.35	3.40	2.57	3.04	3.40	43.2	DW
78dtex, POY (Ny 6)	Europe	FD	3.17	3.45	3.36	3.17	3.31	-1.7	DW
70-200D, weave (tube)	USA	FD	5.07	5.18	5.13	5.07	5.07	-2.1	DW
Price Spread Ratio									
China DTY 70D / China SD chip spot			1.48	1.23	1.35	1.22	1.23		

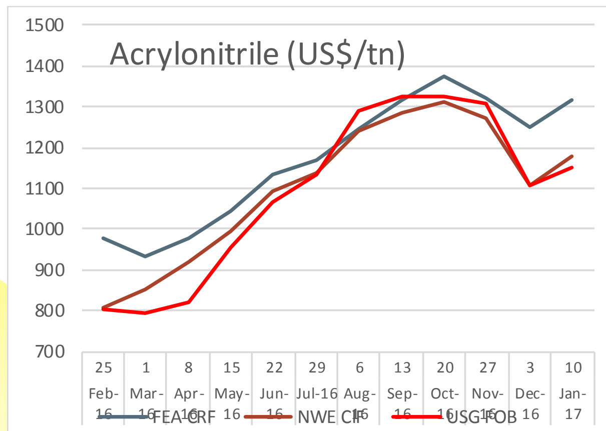
The Acrylic Chain

Propylene & Acrylonitrile

Propylene prices in January were up in Asian markets amid thin supply. In Europe, derivative demand boost and January restocking lifted propylene prices. In US, spot polymer grade propylene touched 21-month high amid turnaround season as downstream producers continued to buy spot. Asian marker, FOB Korea averaged US$877.25-879.25 a ton, up 4.4% from December, and CFR China was at US$920.50-922.50 a ton, rose 2.4% from previous month. In Europe, CG propylene surged 16.8% to Euro 767.00-771.00 a ton FD while spot polymer-grade propylene prices in US were at US$47.13-47.63 per pound ton FD, up 55.6%.

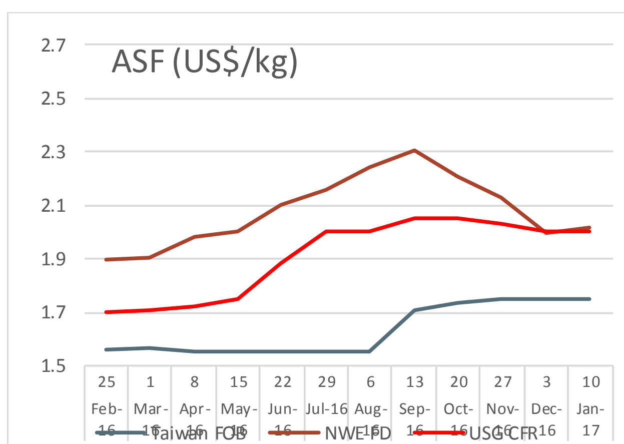


Acrylonitrile prices surged during the month on tighter supply and rising feedstock propylene cost. In US, acrylonitrile spot rose on global tightness and supported by the significantly higher January propylene settlement. In Europe, acrylonitrile fundamentals continued to support price rise with the rise in feedstock expectations. European prices jumped 12.9% to US$1,240.50-1,244.50 a ton CIF Med while US export assessments averaged at US$1,227.50-1,237.50 a ton USG, up 14.2% on the month. Asian marker, the CFR Far East Asia rose 8.9% to average US$1,346.50-1,348.50 a ton.



Acrylic Staple fibre

Acrylic fibre markets in China were stable in January and producers hiked prices driven by higher cost, despite cautious mood. Downstream mills lightly followed up, amid moderate sales. Although, trading atmosphere was lackluster due to Lunar New Year holidays during the month.



In India, prices were revised down since acrylonitrile cost had subdued in December. Buying interest picked up somewhat due to colder weather and producers were mulling to raise the prices in the latter half of the month. In Pakistan, ASF prices remained unchanged on the month as demand remained subdued. In China, offers for cotton-type staple were up US cents 9 at US$1.88-2.00 a kg and medium-length staple were up US cents 10 at US$1.89-2.01 a kg. Sinopec's January settlement prices for 1.5D staple fiber were at US$1.98-1.99 a kg from Shanghai Petrochemical, US$1.94 a kg from Anqing Petrochemical and US$1.93 a kg from Qilu Petrochemical. In Pakistan, 1.2D ASF prices were at US$1.88 a kg, unchanged on the month. Indian ASF prices were at US$1.84 a kg, down US cents 9 from December.

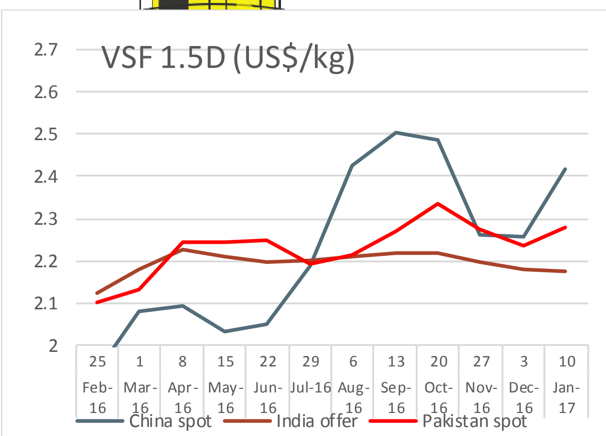
Acrylic Chain

Product Specs	Market	Term	Last 12 mths		Feb 2017	Dec-16	Jan-17	% YoY	Next week
			Low	High					
Crude Oil (US$/barrel)									
NYMEX Futures	USA	Futures	30.43	52.66	44.99	51.64	52.66	66.4	RO-UP
Europe brent	IPE	Futures	32.00	55.51	46.34	54.19	55.51	80.8	RO-UP
OPEC	Middle East	Average	28.65	52.43	42.74	50.83	52.43	97.8	RO-UP
Naphtha (US$/ton)									
	Japan	CFR	322	516	414	477	516	49.0	RO-UP
	Rotterdam	Barges FOB	237	404	322	366	404	56.7	RO-UP
Propylene (US$/ton)									
	Korea	FOB	586	862	740	831	862	54.9	UP
	China	CFR	625	911	784	888	911	52.6	UP
Chemical grade	NW Europe	FD	433	850	656	680	800	71.5	UP
Chemical grade	USA	Spot	302	941	498	599	941	165.9	RO-UP
Price Spread Ratio									
Korea FOB / Crude US Futures			2.63	2.23	2.25	2.20	2.23		
NWE FD / European Brent Futures			1.85	2.09	1.93	1.71	1.97		
Acrylonitrile (US$/ton)									
	FE Asia	CFR	934	1,373	1,170	1,247	1,314	27.1	RO-UP
	China	CFR	920	1,350	1,169	1,214	1,300	20.9	RO-UP
	Europe	CIF	807	1,311	1,099	1,104	1,178	41.4	UP
	US Gulf	FOB	796	1,324	1,089	1,108	1,149	39.2	RO-UP
Price Spread Ratio									
FE Asia CFR / Korea propylene FOB			1.59	1.59	1.58	1.50	1.52		
China CFR / China propylene CFR			1.47	1.48	1.49	1.37	1.43		
Europe / NW Europe CGP FD			1.86	1.54	1.68	1.62	1.47		
US Gulf / USA CGP spot			2.64	1.41	2.19	1.85	1.22		
Acrylic Staple Fibre (US$/kg)									
1.5D/38mm	China	Spot	1.79	1.88	1.82	1.79	1.88	5.6	RO-UP
1.5D/38mm	Taiwan	FOB	1.55	1.75	1.63	1.75	1.75	9.4	RO
1.5D/38mm	India	Spot	1.84	2.13	1.99	1.93	1.84	-1.8	RO
1.5D/38mm	Pakistan	Spot	1.86	1.89	1.88	1.88	1.88	-8.3	RO
3D tow	Europe	FD	1.90	2.30	2.08	1.99	2.02	6.1	RO-UP
3D tow	USA	CFR	1.70	2.05	1.91	2.00	2.00	12.4	RO-UP
Price Spread Ratio									
1.5D/38mm China / China CFR ACN			1.95	1.40	1.56	1.47	1.45		
3D Tow / Europe CIF ACN			2.35	1.76	1.89	1.81	1.71		
3D Tow / USG FOB ACN			2.14	1.55	1.75	1.81	1.74		

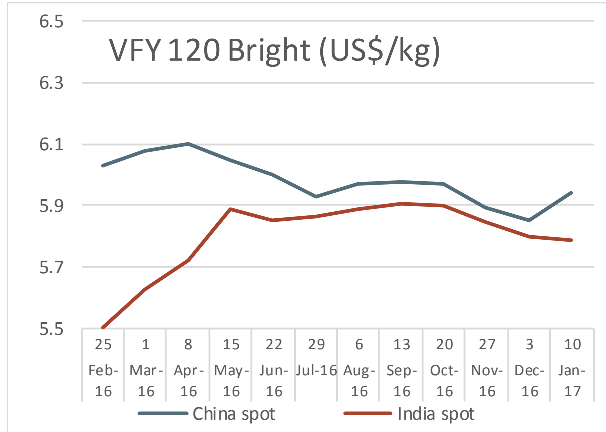
The Viscose Chain

VSF & VFY

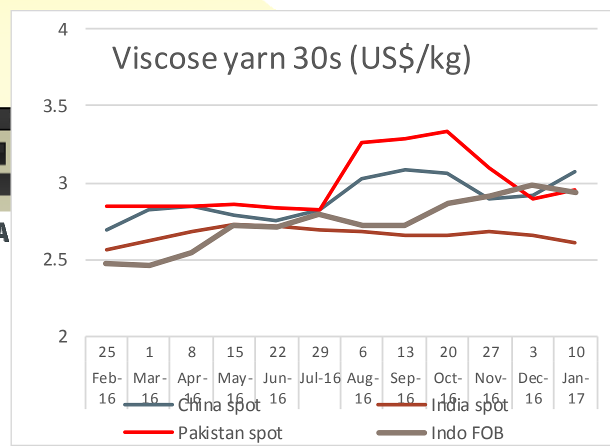
Viscose staple fibre producers in China made tentative price hikes in January while markets were calm amid holiday atmosphere. In China, offers for VSF averaged US$2.42 a kg, up US cents 15 on the month. In Pakistan, VSF prices gained seeing cotton and PSF prices firming up during the month. In India, VSF prices remained unchanged, on stable to firm spun yarn prices. In Pakistan, 1.5D VSF prices rose US cents 4 at US$2.28 a kg. In India, producers' prices were at US$2.11 a kg, down US cent 1 from last month.



Viscose filament yarn producers raised offers in the initial period of the month, however, markets saw thin trading activities due to Spring festival holidays. In India, VFY markets were a bit subdued due to the demonetization policy and cash crunch. In China, 120D dull VFY offers averaged US$[illegible]2 a kg, up US cents 10 while bright was at US$5.94 a kg, up US cents 9. In India, 120D bright VFY was at US$5.79 a kg, down US cents 2 from last month. Dissolving pulp market saw brisk trading atmosphere during the month. Offers for hardwood pulp were at US$930-940 a ton while softwood pulp was at US$1,020 a ton.



Spun viscose yarn prices in China gained on the month amid thin transactions. In India, viscose yarn prices remained unchanged, in line with steady VSF trend. In Pakistan, demand for viscose yarns was on a recovery on the domestic market in line with rising business activities. In Xiaoshan, 30s spun viscose were at US$3.02 a kg, up US cents 19 on the month. In India, 30s viscose prices were at US$2.63 a kg, unchanged in Indore market. In Pakistan, 35s viscose yarn were up US cents 7 at US$3.00 a kg in Karachi.

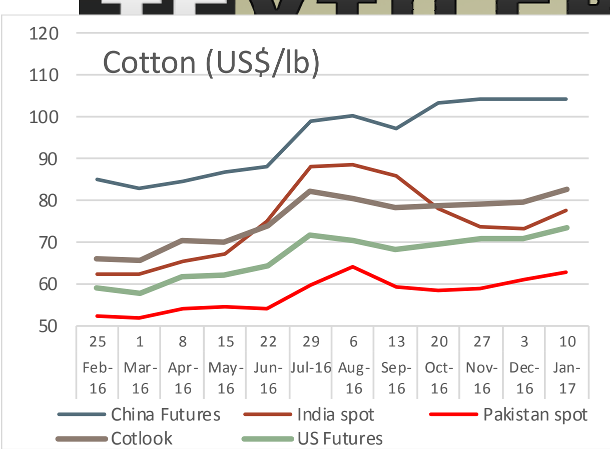


Viscose Chain									
Product Specs	Market	Term	Last 12 mths		Feb 2017	Dec-16	Jan-17	% YoY	Next week
			Low	High					
Wood and Cotton Pulp (US$/ton)									
Hardwood pulp	Asia	CFR	830	969	893	916	923	8.8	RO-UP
Softwood pulp	Asia	CFR	863	1,075	966	1,016	1,023	18.6	RO-UP
Viscose Staple Fibre (US$/kg)									
1.5D/38mm	China	Spot	1.94	2.50	2.23	2.26	2.42	28.8	UP
1.5-2.0D dull	India	Producers offer	2.12	2.23	2.19	2.18	2.17	1.1	RO-UP
1.5D	Pakistan	Spot	2.10	2.33	2.23	2.24	2.28	8.7	RO-UP
Viscose Filament Yarn (US$/kg)									
120D bright	China	Spot	5.85	6.10	5.98	5.85	5.94	-1.0	RO
300D bright	China	Spot	4.00	4.21	4.11	4.00	4.06	-2.1	RO
100D bright	India	Spot	5.88	6.32	6.21	6.21	6.20	4.0	RO
450D bright	India	Spot	3.51	3.73	3.67	3.67	3.66	2.7	RO
100% Viscose Spun Yarn (US$/kg)									
20s	China	Spot	2.53	2.92	2.74	2.77	2.89	16.3	RO-UP
30s	China	Spot	2.70	3.09	2.90	2.92	3.07	15.5	RO-UP
30s	India	Spot	2.56	2.73	2.66	2.66	2.61	1.3	RO
30s	Indonesia	FOB	2.47	2.98	2.74	2.98	2.94	22.4	RO
35s	Pakistan	Spot	2.83	3.33	2.99	2.90	2.95	-6.4	RO

Cotton Chain

Cotton

Cotton markets were bullish in January as a marketing year high was reported in US export sales which propelled an advance in cotton futures. The Futures were also helped by the weakening US$, which made commodities dearer in US$ terms. Spot March gained 181 points in the last week to close at US cents 74.85 per pound. The March contract on ICE Futures US rose 5% for the month to average US cents 74.14.

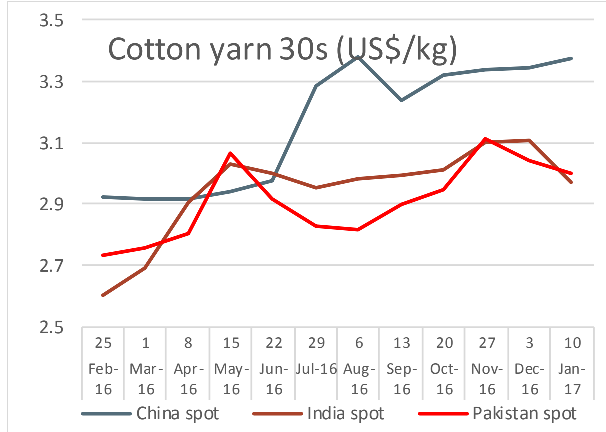


The Cotlook A index climbed 4.5% closing January at an average of US cents 83.36 per pound. The China Cotton Index edged down 0.3% on the month to 15,825.50 yuan a ton. In Pakistan, cotton market saw regular flow of buying orders from spinners. Prices rose from the outset touching seasonal high on brisk activity. The issuance of SROs for textile package coupled with duty imposed on fine cotton yarn imports, induced sentiment. The official spot rate averaged PakRs6,666 per maund ex-Karachi, up 4% on the month. In India, after an unusual rally at the start of the harvest season, cotton prices headed up as arrivals drifted disrupted by the demonetization policy. Most varieties saw prices surge 2.6-13.9% in January.

Cotton Yarn

Cotton yarn prices in China were stable to up in January amid lukewarm sales. Traditional 32s and 40s saw sound trades, with producers reporting 10-15 days' worth of inventory. Though sales were tempering, given rising cost of new cotton. In India, cotton yarn prices were raised on the month supported by the jump in cotton indicator, reflecting pressure faced by spinners in the current period. However, cotton yarn markets were relatively firm where the demonetization process continued disturbing market activities. In Pakistan, cotton yarn prices were down on the month, over a significant drop of market activities. In Pakistan, cotton yarn prices were down on the month, over a significant drop of market activities on the Faisalabad and

Karachi yarn markets. In China, 32s cotton yarn in Shengze market was up US cents 4 at US$3.28-3.32 a kg while 21s were at US$3.14-3.20 a kg, up US cents 3 from December. In India, 30s combed for knitting were at US$3.01 a kg, up US cents 19 on the month while carded were at US$2.63 a kg, up US cents 5 on the month. In Pakistan, 10s carded yarn was at US$1.78 a kg, down US cents 18 on the month.

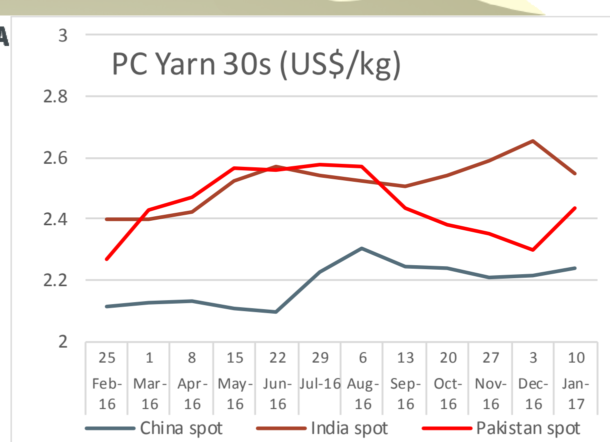


Cotton Chain

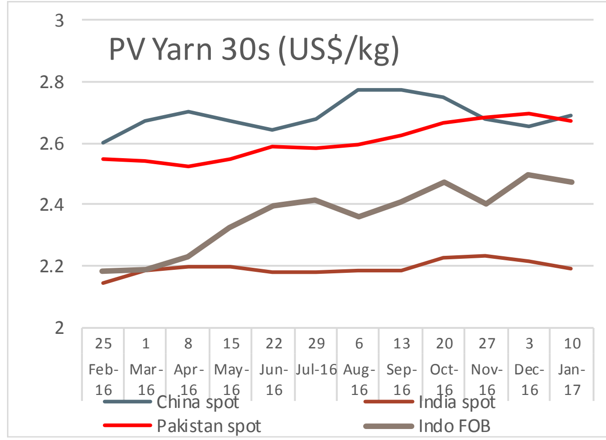
Product Specs	Market	Term	Last 12 mths Low	Last 12 mths High	Feb 2017	Dec-16	Jan-17	% YoY	Next week
Cotton Fibre (US$/pound)									
New York Futures	USA	Futures	57.67	73.54	66.68	70.68	73.54	19.4	UP
China Cotton Index	China	Futures	82.93	104.20	94.99	104.17	104.20	19.7	UP
Cotlook 'A' Index	Far East	Spot	65.63	82.48	75.59	79.65	82.48	20.3	UP
East Texas -OK-color-41,leaf 4,staple 34	USA	Spot	54.20	70.94	63.72	68.65	70.94	19.7	RO
American PIMA-color 2, leaf 3 -staple 46	USA	Spot	117.75	137.25	122.81	137.25	137.25	9.0	RO
KCA - Grade 3, staple 1-1/32"	Pakistan	Spot	52.01	64.32	57.63	61.18	62.79	19.0	UP
Shanker 6	India	Spot	62.32	88.62	74.82	73.38	77.53	21.9	UP
100% Cotton Spun Yarn									
10s carded	China	Spot	1.73	2.09	1.93	2.08	2.09	17.4	RO-UP
10s carded	Pakistan	Spot	1.73	2.08	1.90	1.95	1.93	11.9	UP
10s carded	Pakistan	Export CNF	2.09	2.54	2.33	2.36	2.35	13.1	UP
21s carded	China	Spot	2.16	2.72	2.46	2.70	2.72	26.5	RO-UP
20s carded	Pakistan	Spot	2.30	2.72	2.54	2.68	2.60	17.4	UP
20s carded	Export	Export CNF	2.39	2.87	2.68	2.72	2.72	14.9	RO
30s combed knitting	India	Spot	2.60	3.11	2.95	3.11	2.97	12.5	RO
30s combed knitting	India	FOB	2.69	3.29	3.03	3.29	3.13	23.0	RO
30s carded	Pakistan	Spot	2.73	3.11	2.91	3.04	3.00	13.6	UP
30s carded	Pakistan	Export CNF	2.81	3.15	2.97	3.03	2.94	6.1	RO
32s carded	China	Spot	2.92	3.38	3.16	3.34	3.38	15.9	RO-UP
32s combed	China	Spot	3.06	3.62	3.36	3.57	3.62	18.4	RO-UP

Blended Yarn

PC/PV Yarns



Blended yarn prices in January were seen gaining grounds owing to rising cotton and cotton yarn prices. In India, a shift in demand was seen from cotton to poly-cotton and poly-viscose yarns which was expanding sales of blended yarn spinners. Prices of PV yarn were reacting to this change. In China, yarn markets were generally calm due to Lunar New Year holidays while imports continued rebounding in recent months. In Pakistan, spinning margins have not yet recovered, as raw material costs of yarn producers have surged in the meantime. The government's package to textiles is helping yarn prices to stay firm. A possible rise in capacities and thereby excess supply could however weigh on yarn markets in future. In India, PC 30s (52/48) were at US$2.57 a kg in Ludhiana market, up US cents 29 from previous month while PV 30s (65/35) were at US$2.20 a kg, up US cents 3 from last month. In Pakistan, PC 30s were up US cents 5 at US$2.58 a kg on the Faisalabad market. In Qianqing market, polyester-cotton 32s (65/35) were traded at US$2.52 a kg, up US cents 4 while 45s (65/35) yarn were at US$3.34 a kg, up US cents 4 on the month.



Blended Yarns

Product Specs	Market	Term	Last 12 mths Low	Last 12 mths High	Feb 2017	Dec-16	Jan-17	% YoY	Next week
Polyester / Cotton Blended Yarn									
21s (65/35)	China	Spot	1.94	2.11	2.02	2.05	2.08	7.2	RO-UP
20s (52/48) carded	Pakistan	Spot	2.07	2.30	2.19	2.30	2.21	7.6	RO-DW
32s (65/35)	China	Spot	2.09	2.31	2.19	2.22	2.24	6.1	RO-UP
30s (52/48)	India	Spot	2.27	2.58	2.45	2.30	2.44	7.4	RO
30s (65/35)	India	FOB	2.50	2.95	2.75	2.95	2.91	20.1	RO
30s (52/48) carded	Pakistan	Spot	2.40	2.66	2.52	2.66	2.55	7.5	RO-DW
30s (52/48) combed	Pakistan	Export CNF	3.04	3.28	3.15	3.28	3.24	6.7	RO-DW
Polyester / Viscose Blended Yarn (65/35)									
20s (80/20)	Pakistan	Spot	2.19	2.36	2.27	2.36	2.33	6.4	RO-DW
21s (65/35)	China	Spot	2.20	2.39	2.29	2.26	2.30	1.7	RO-UP
30s (65/35) warp	India	Spot	2.14	2.24	2.19	2.21	2.19	3.2	RO
30s (65/35)	Indonesia	FOB	2.19	2.50	2.36	2.50	2.48	18.8	RO-DW
30s (80/20)	Pakistan	Spot	2.53	2.70	2.61	2.70	2.67	5.5	RO
32s (65/35)	China	Spot	2.60	2.77	2.69	2.66	2.69	2.9	RO-UP

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TexB Reports	**INR**	**US$**	**Euro**
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India Monthly Yarn Exports	24,000	365	350
India Monthly Fabric and Garment Exports	24,000	365	350
Global Polyester Price Forecast	24,000	365	350
Global Nylon Price Forecast	24,000	365	350
Global Acrylic Price Forecast	24,000	365	350
Global Cotton Price Forecast	24,000	365	350
Global Fibres - Annual report	40,000	600	580
Global Polyesters - Annual report	25,000	380	365
Global Nylons - Annual report	20,000	305	290
Global Acrylics - Annual report	20,000	305	290
Global Cotton - Annual report	20,000	305	290

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