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NEWSLETTER

VOL03



brushes & needles[®]
INSPIRED SOLUTIONS FOR APPARELS & TEXTILES

Premier fabric studio based
in Sri Lanka

FACTS

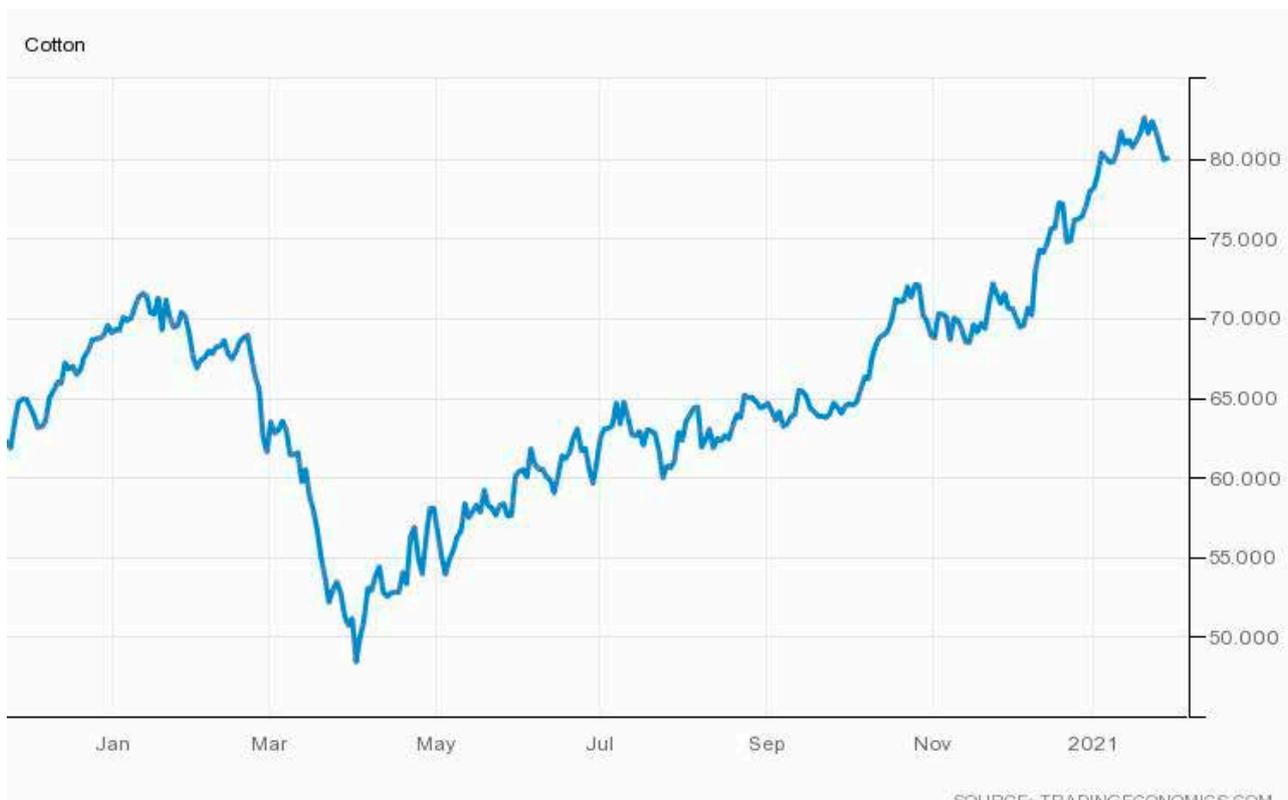
From last 4 consecutive months till this February cotton market still stays highly volatile. In terms of price, around the globe the trend is an upward led by two main factors. First, the improved demand for Cotton post-pandemic and second, the drastic decline of world Cotton stocks. Between July last year and January this year, international cotton prices went up nearly 29%. The latest USDA reports featured a decrease to global cotton production (-1.0 million bales to 112.9 million) and a slight increase to global mill consumption (+100,000 bales to 115.7 million). The broad range of changes in production numbers could be seen at country levels. In the US market the estimated harvest was lowered by 1.0 million bales, reflecting the minus 1.0 million bale change in the global production. This deficit is predominantly due to the ban imposed on Cotton from Xingjian province. China have been said to carry out a crackdown on Muslim minority groups that are residing in the far west Xianjing region. Even though the Chinese government denies all the allegations made against the community, USA stands firm in their decision to stop all imports coming in from the Xianjing area.

As for Pakistan a production deficit of 200,000 bales exhibited when compared to the forecast of 4.3 million bales this month. The current forecast for Pakistan is about half the volume harvested on average in recent years. From 2014/15 to 2018/19 the Pakistan cotton production flagged 8.2 million bales; this notable decrease could be seen during last crop year too. In order to meet the market demand Pakistan cotton imports went up by 200,000 bales totaling to 4.9 million bales. In terms of imports, the largest changes were for China (+500,000 bales to 10.5 million). Chinese imports have paved the way for international cotton prices to rise in high numbers. China and Pakistan, despite themselves being major producers, have increased their import targets because of high prices prevailing in China and lower production in Pakistan.



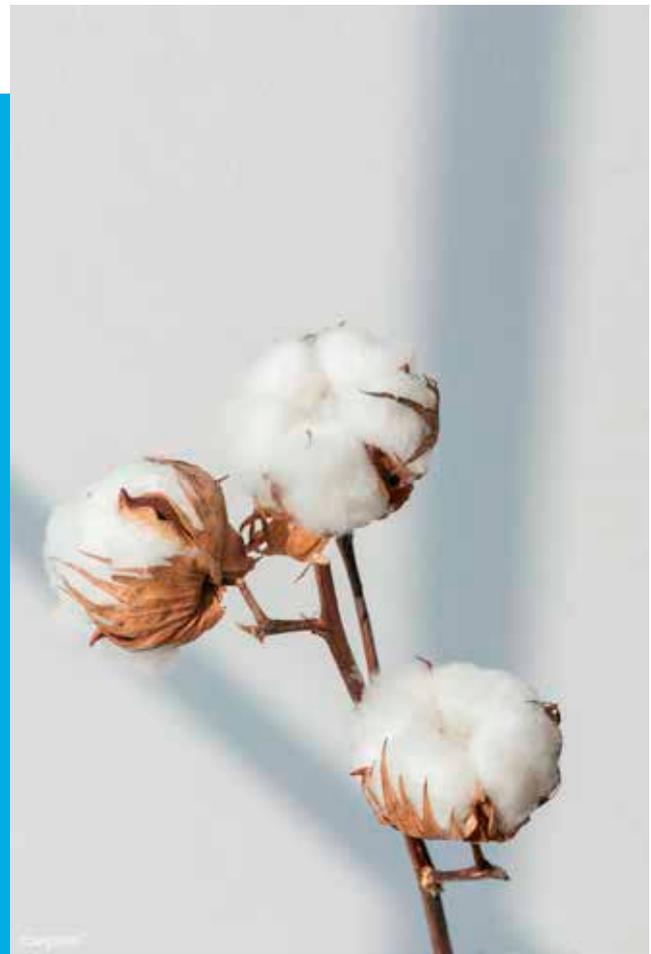
PRICE OUTLOOK

- The NY March futures contract climbed from 74 cents/lb to 82 cents/lb.
- Cotlook's A Index rose from 80 to 86 cents/lb.
- In international terms, the China Cotton Index (CC Index 3128B) increased from 102 to 108 cents/lb. In domestic terms, values climbed from 14,700 to 15,300 RMB/ton. The RMB strengthened against the USD, from 6.55 to 6.47 RMB/USD.
- Indian cotton prices (Shankar-6 quality) increased from 71 to 75 cents/lb. In domestic terms, values increased from 40,700 to 43,200 INR/candy. The Indian rupee was steady against the USD near 73 INR/USD.
- In international terms, Pakistani prices rose from 72 to 80 cents/lb. In domestic terms, prices increased from 9,500 to 10,500 PKR/maund. The Pakistani rupee was steady against the USD near 160 PKR/USD.



FUTURE

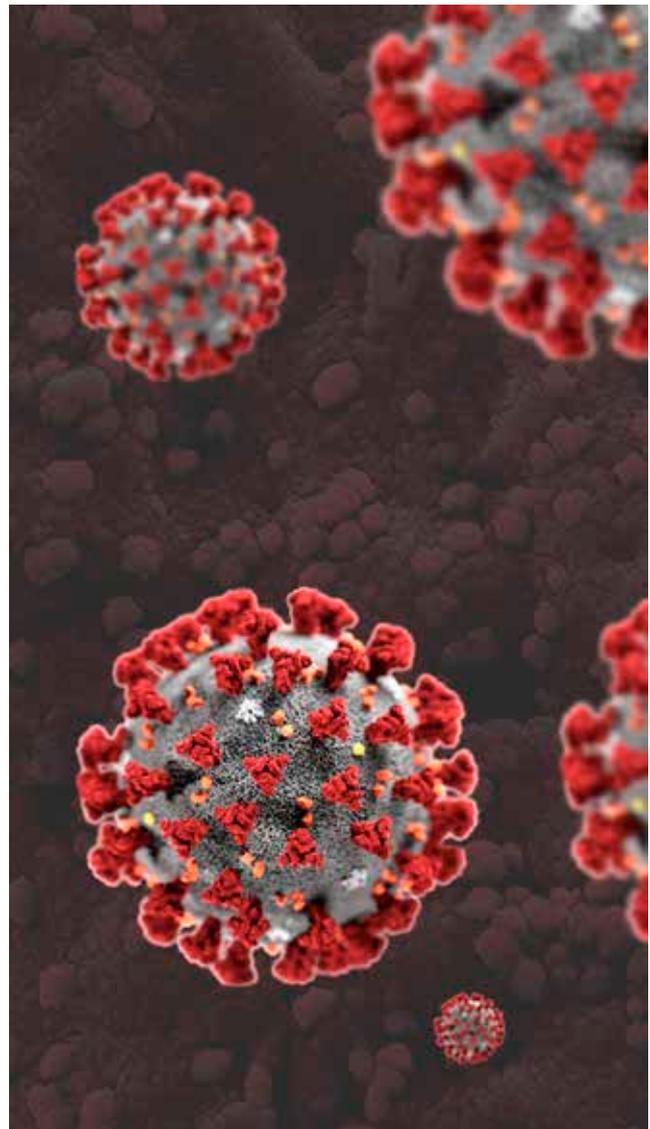
Textile demand has picked up universally, as global consumption is slated to rise by almost 15 percent over last year amid forecast of weaker output due to lower area sown. Especially home textiles have shown a major growth during the pandemic. Taking into consideration the production (4.3 million bales) and mill consumption (10 million bales) in the Pakistan Cotton market, market experts expect the cotton import bill to rise-up to \$2 billion for the fiscal year, which will create huge impacts to the market competitiveness in value adding industries such as apparel and textiles due to not being able to fight against the competitive prices as opposed to other global markets.



FASHION AND INNOVATION

Micrillon yarns proven to be effective against Human Corona Virus

UMF Corporation in partnership with Universal Fiber Systems, a leading U.S. manufacturer of synthetic filament-based and specialty fibers first shared the news of collaborating in creating a special fiber with antiviral properties against COVID-19, and Human Influenza AH1N1 last July. On 20th of January UMF Corporations announced that the Micrillon testing have been proved to be effective in inactivating Human Coronavirus and Human Influenza and holds the power to destroy MRSA and E. coli organisms. The Micrillon sheath and core fiber, spun into a yarn and knitted into a material, also demonstrates significant antibacterial efficacy (100% kill) against Staphylococcus aureus (MRSA) and E. coli 0157:H7. These findings have significant implications for numerous applications, including various yarn types for woven and knitted textiles such as towels, privacy curtains and personal protective equipment (PPE).



Micrillon is a rechargeable, broad spectrum, antimicrobial polymer additive that can be incorporated into fibers, as well as films and plastics which is charged with chlorine molecules. The Micrillon chemistry recharges for the life of the product into which it is incorporated and will not leach into the environment. When bacteria and mold come into contact with a Micrillon surface, they are eliminated, and viruses are inactivated.

FASHION AND SUSTAINABILITY

Guide to reducing Carbon footprint by conscious fashion



Fashion industry is an ever-evolving economy that has a value of 3 trillion US dollars and growing. And the industry makes a sizable contribution to the global climate change. McKinsey research shows that the footwear and apparel sector was responsible for 2.1 billion metric tons of greenhouse-gas emissions in 2018, which is about 4% of the global total. To set that in context, the fashion industry emits about the same quantity of greenhouse gasses per year as the entire economies of France, Germany, and the United Kingdom combined. Despite the efforts to reduce emissions, fashion industry is on a trajectory that will exceed the 1.5°C pathway to mitigate climate change set out by the IPCC. To meet this the industry would have to cut greenhouse-gas emissions to 1.1 billion

metric tons of CO₂ by 2030. Producing less garments with more recycled fibers will be essential. Packaging, transport, and retail operations could all be made more sustainable, resulting in a potential reduction of 308 million tons of CO₂ by 2030.

Circular fashion is a new concept that can be used in favor for a more sustainable journey into the industry. Circular fashion can be described as a holistic design approach to product development that allows products and materials to be reused recycled and regenerated. The end goal would be to make fashion transparent, traceable and more sustainable for consumers, the business and lastly the planet.