

# Fibers Update – 2024

Laura Murphy

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# Agenda



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- Fibers' Drivers
- Numbers
- Sustainability and things to consider
- And Finally.....

## Short term services



### Fibers Report

- Monthly
- Price discovery and market analysis, with commentary on recent events
- Bio-sustainability blog
- Price forecasts



### Technical Fibers Report

- Monthly
- Price discovery and market analysis
- Concentration on technical fibers – tires, automotive segments

## Long term service



### Supply / Demand Report

- 2X per year
- Global capacity, production, demand, textile mill consumption
- Strategic planning outlook
- Investment horizon outlook



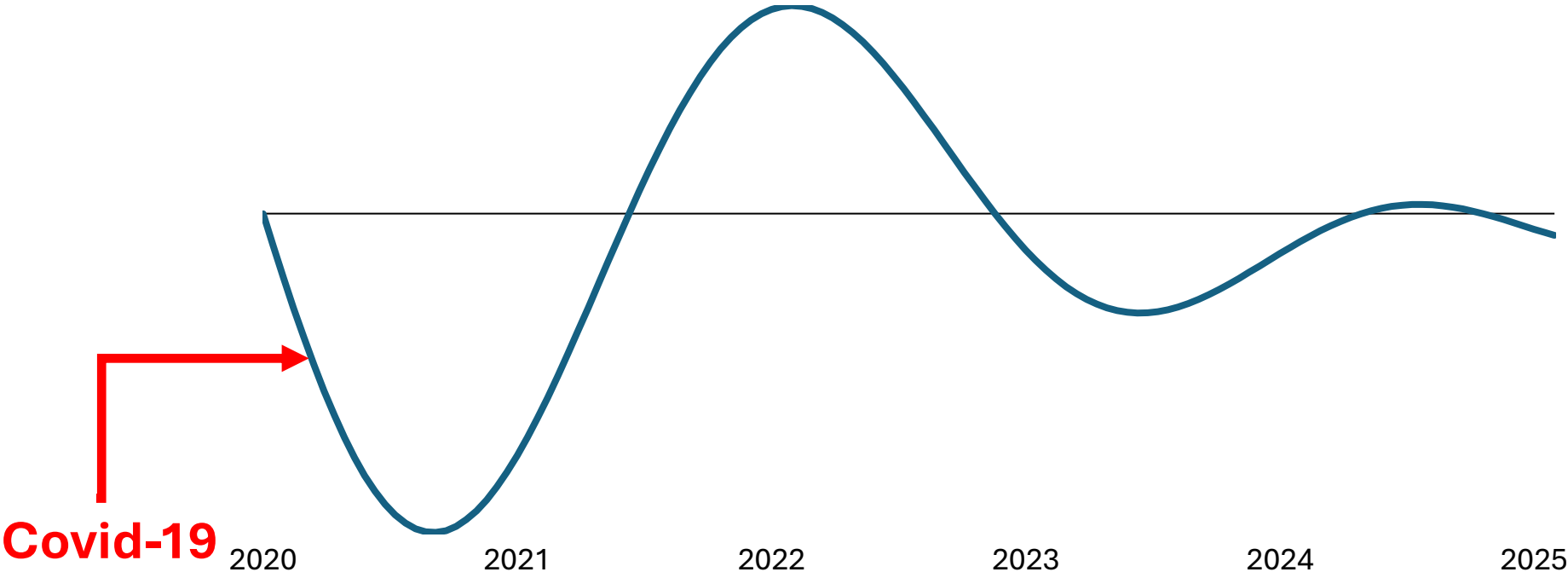
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# Fibers' Drivers

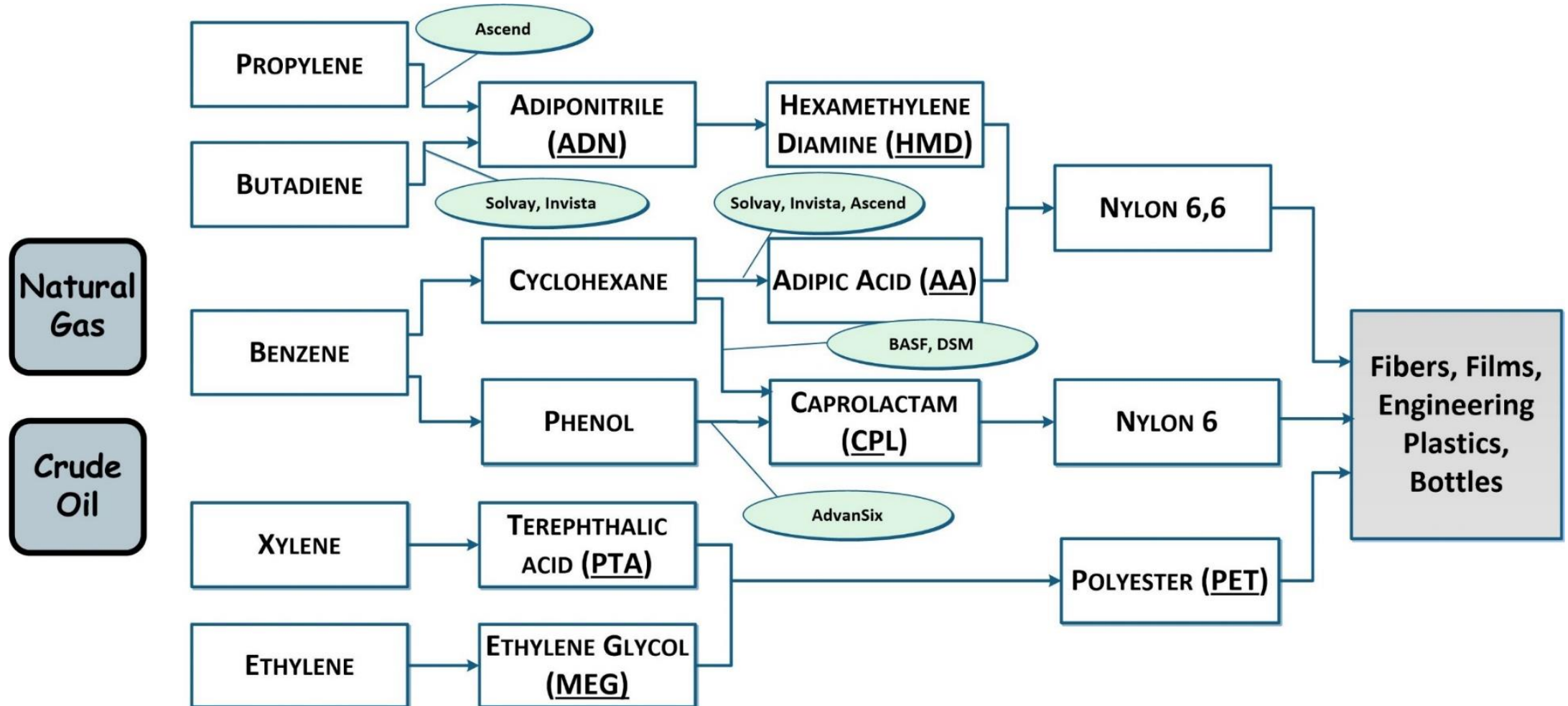
# The Volatile World



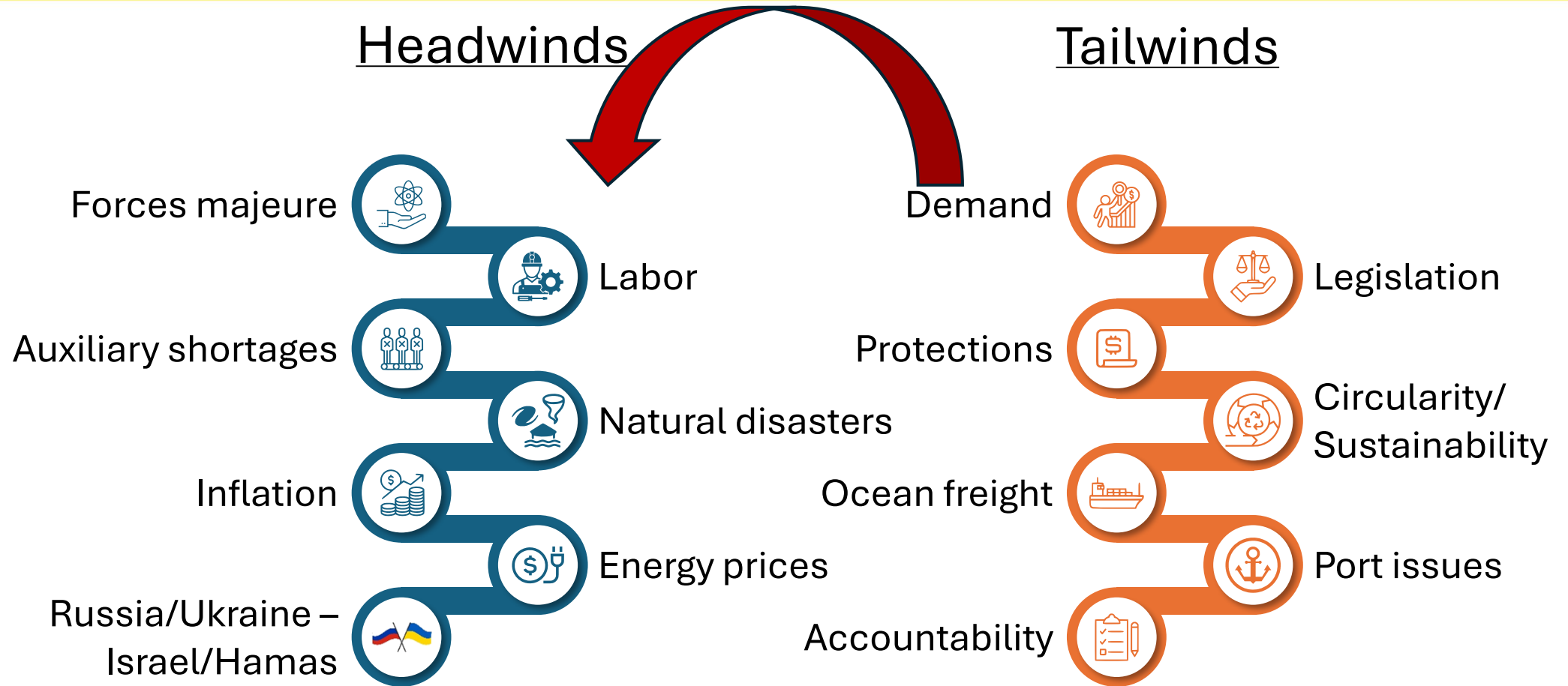
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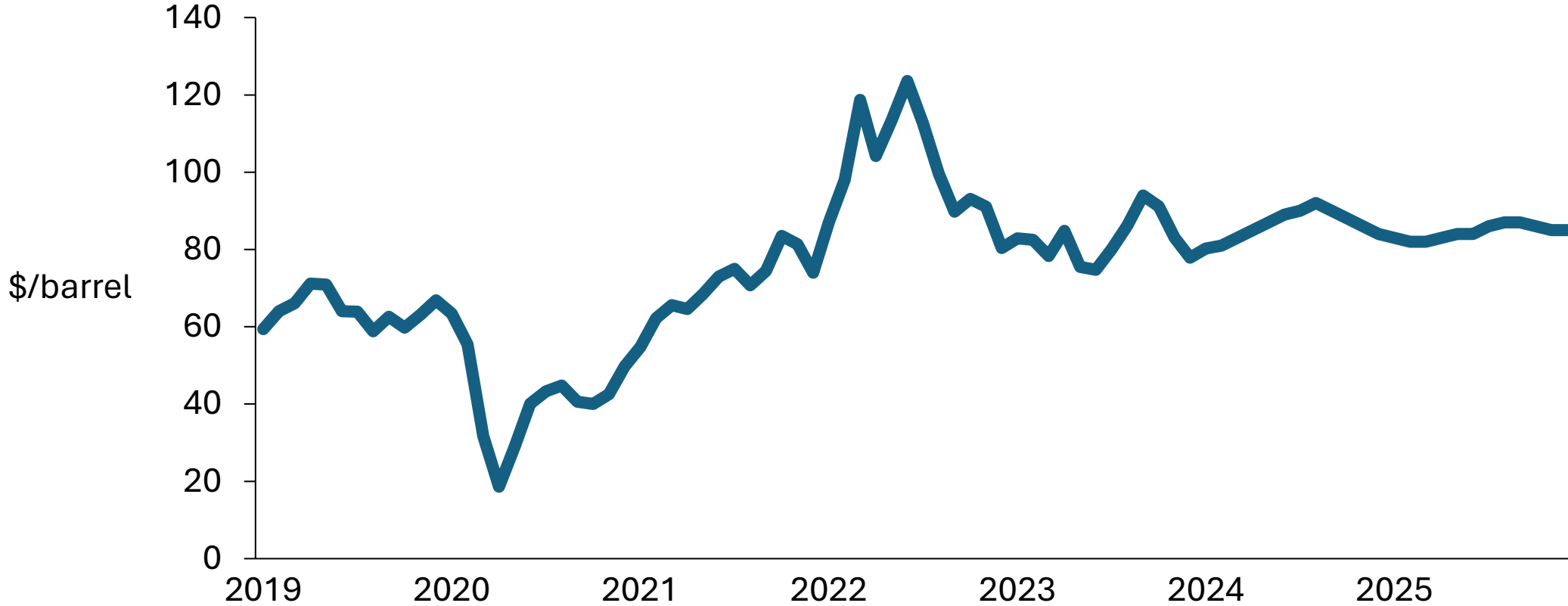
# Raw Materials Overview



# The Drivers – Perspective matters!



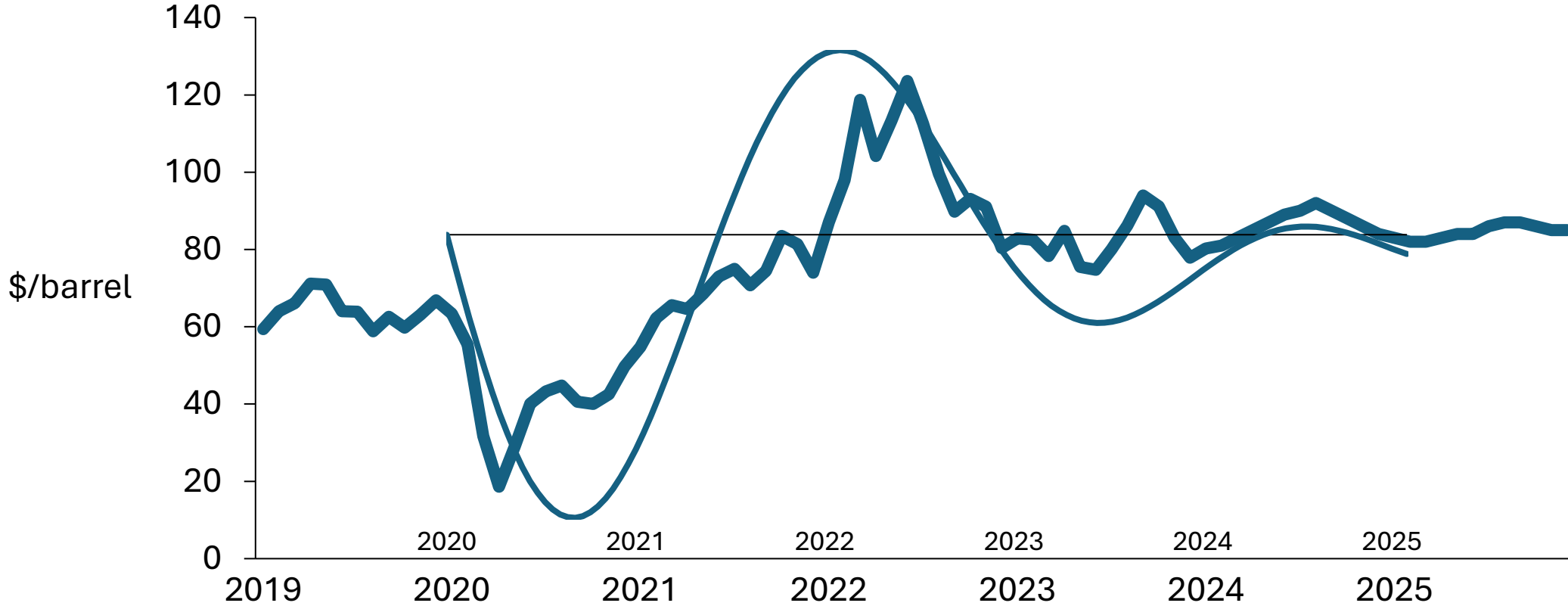
# Brent Oil Price



Source: Wood Mackenzie Chemicals

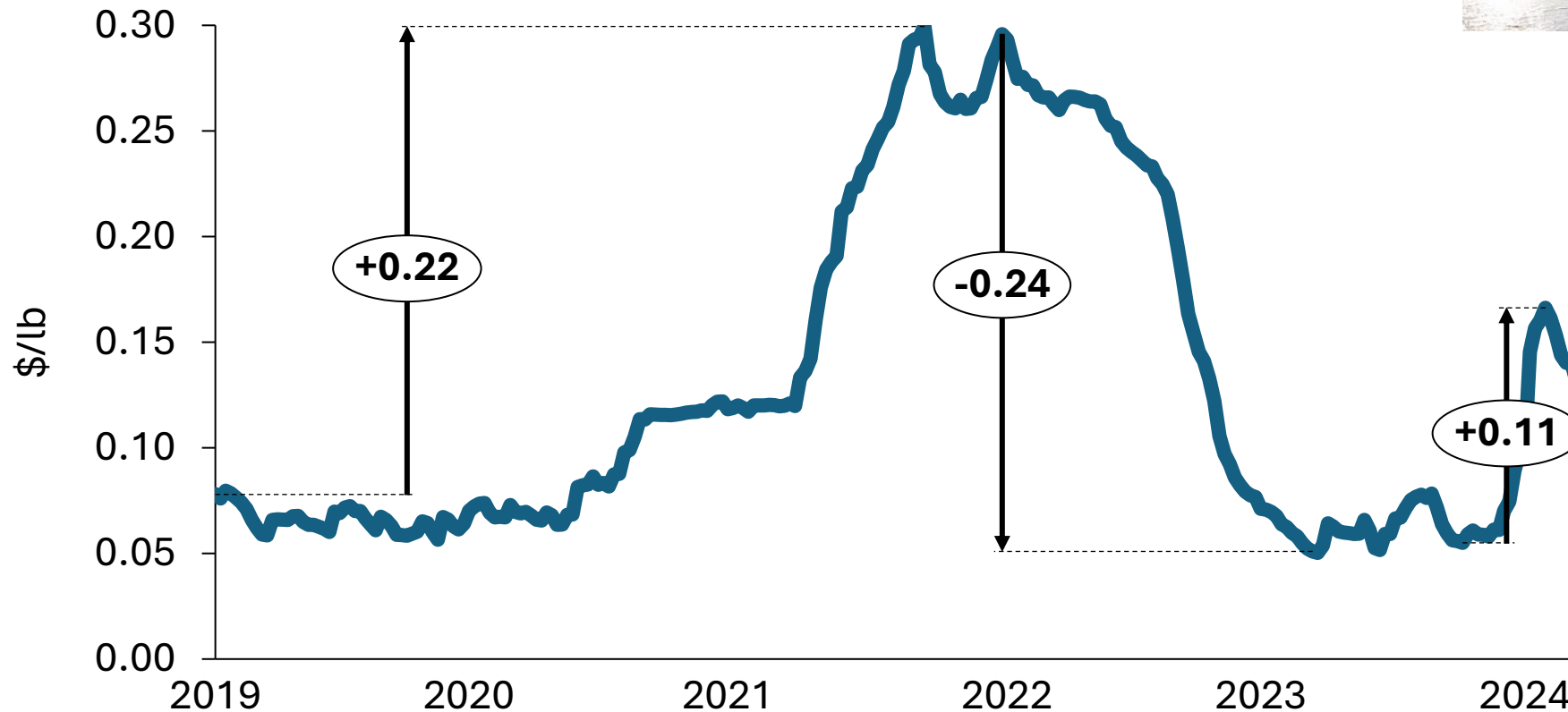


# Brent Oil Price



Source: Wood Mackenzie Chemicals

# Ocean freight – Shanghai to US East Coast

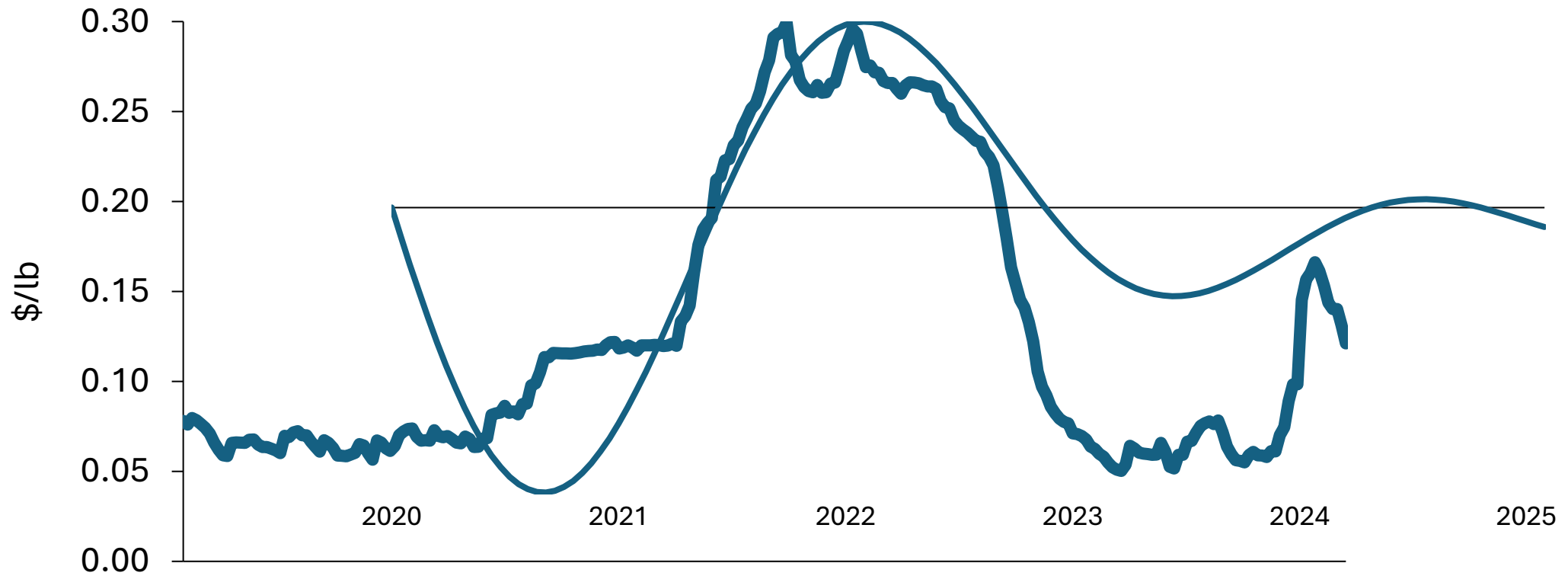


Source: Wood Mackenzie Chemicals, Clarksons Shipping Intelligence: Spot freight rates

# Ocean freight – Shanghai to US East Coast

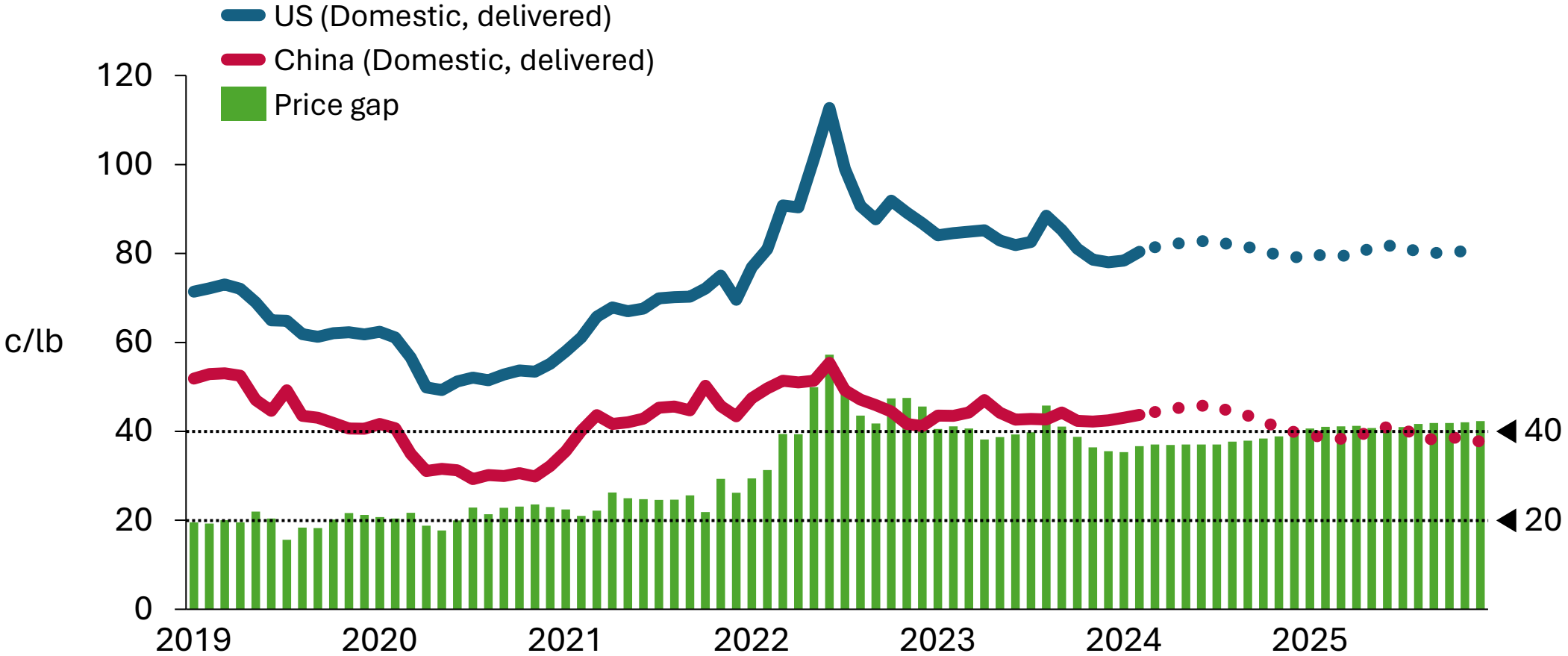


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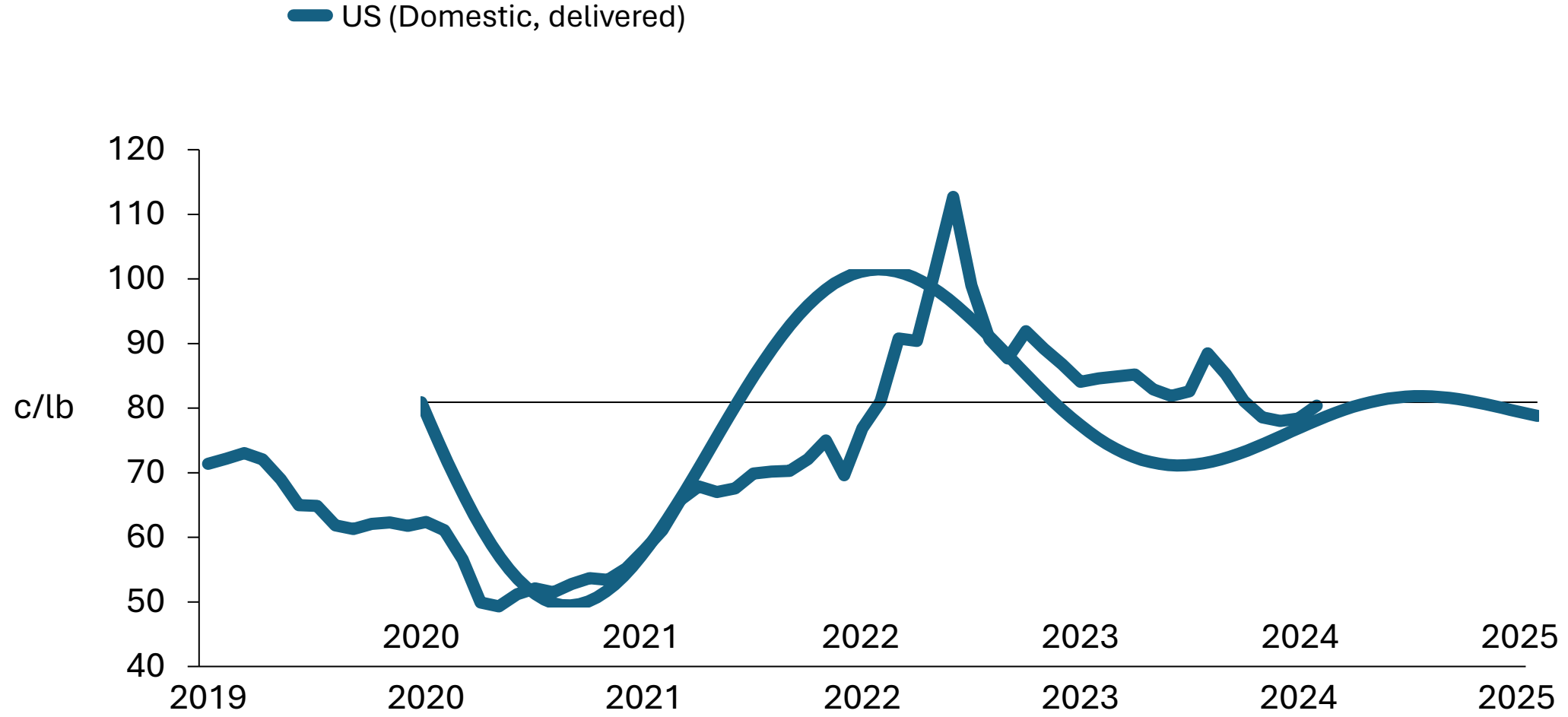
Source: Wood Mackenzie Chemicals, Clarksons Shipping Intelligence: Spot freight rates

# Chip prices – Polyester



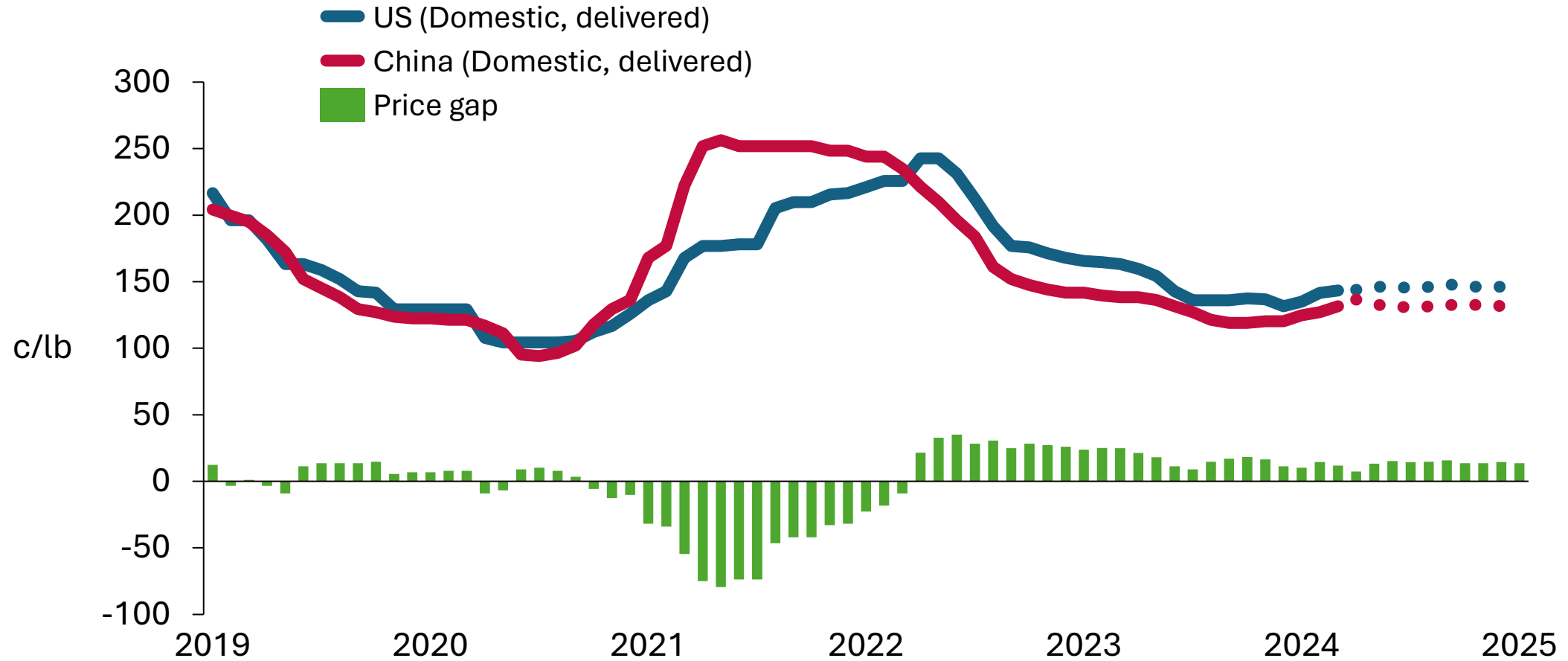
Source: Wood Mackenzie Chemicals

# Chip prices – Polyester

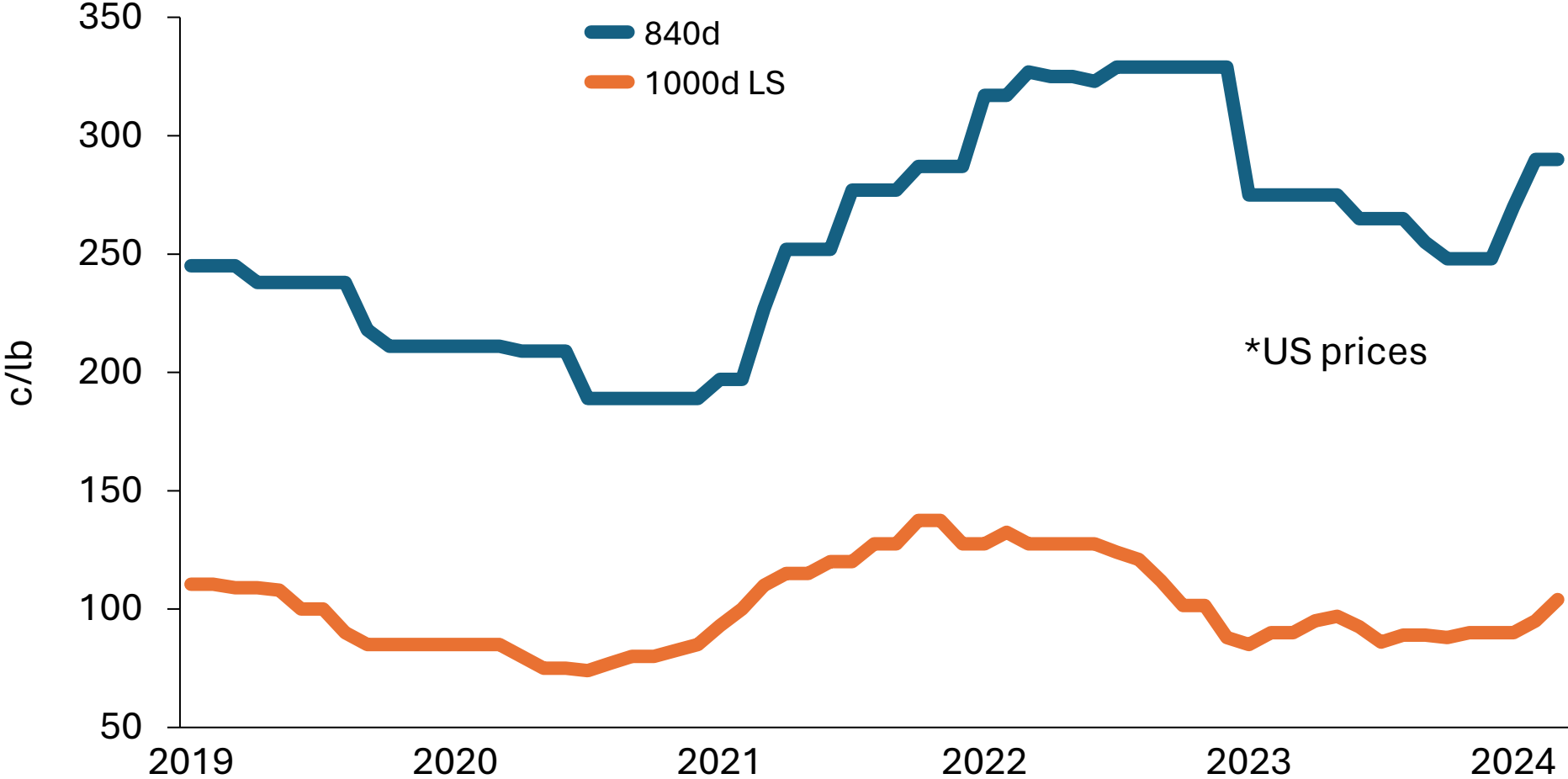


Source: Wood Mackenzie Chemicals

# Nylon 66 polymer prices

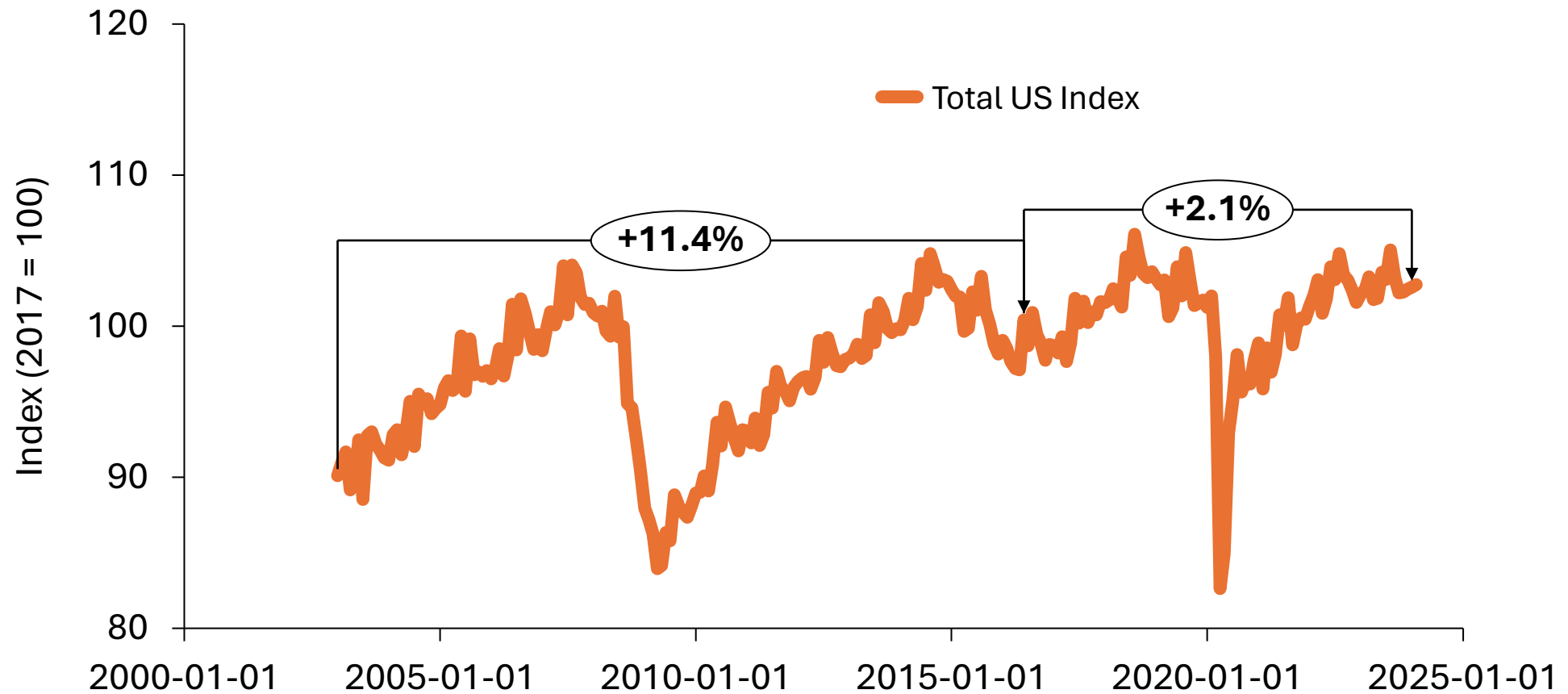


# Yarn prices – Nylon and Polyester\*



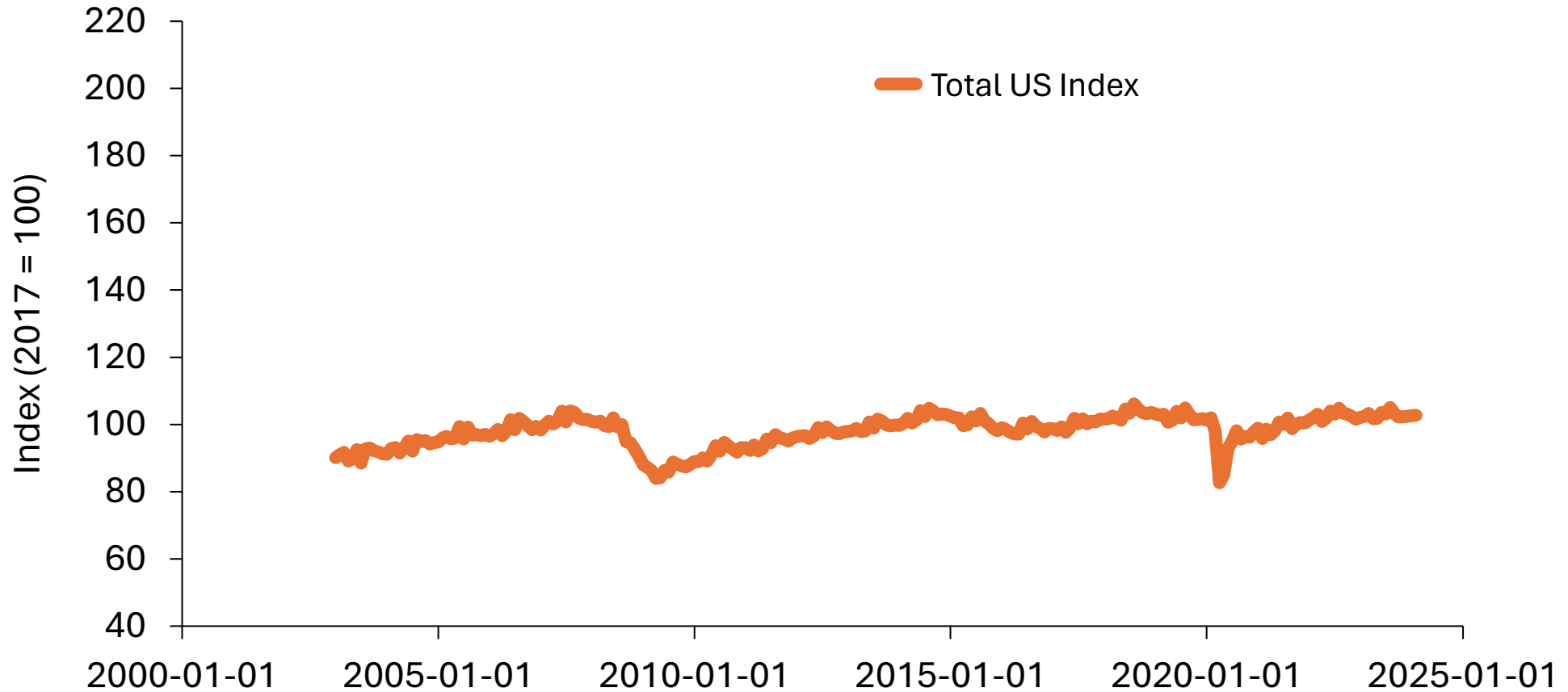
Source: Wood Mackenzie Chemicals

# US production indices

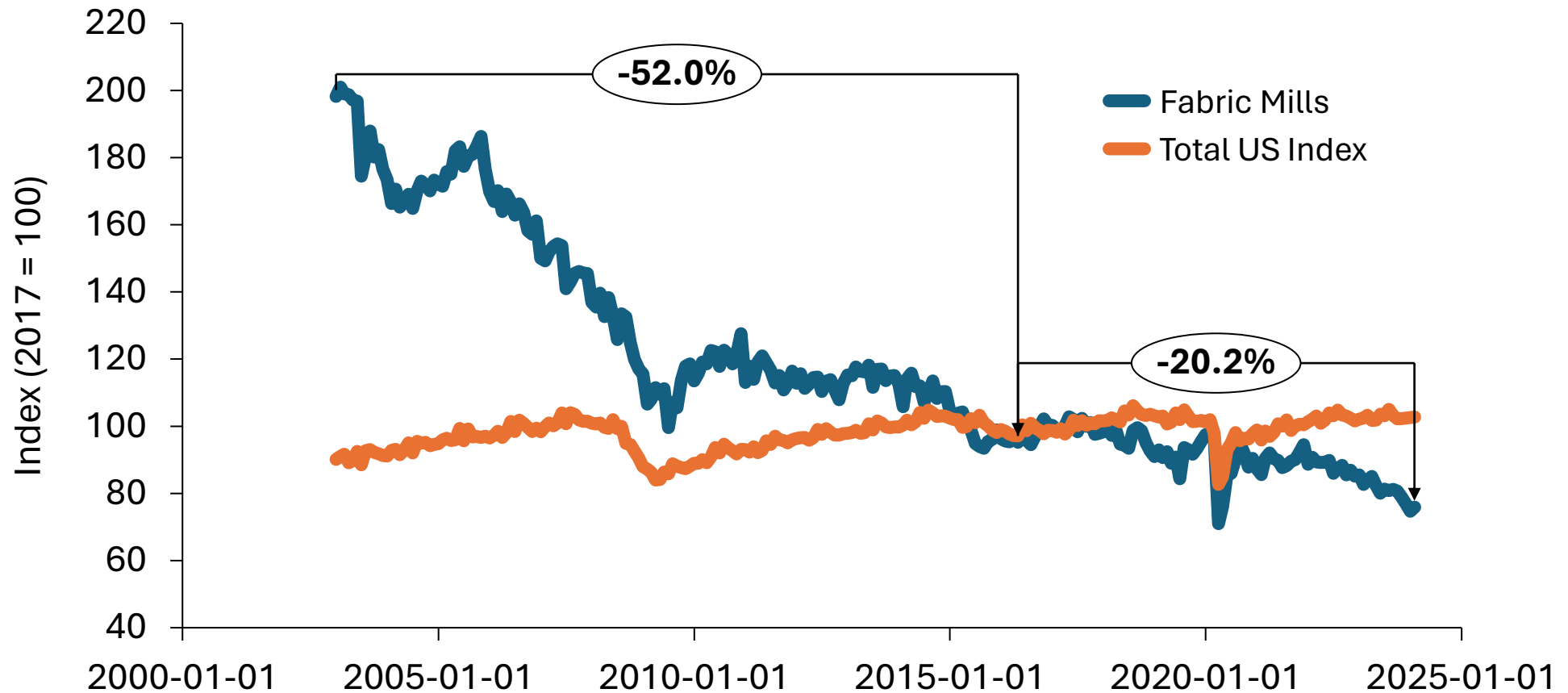




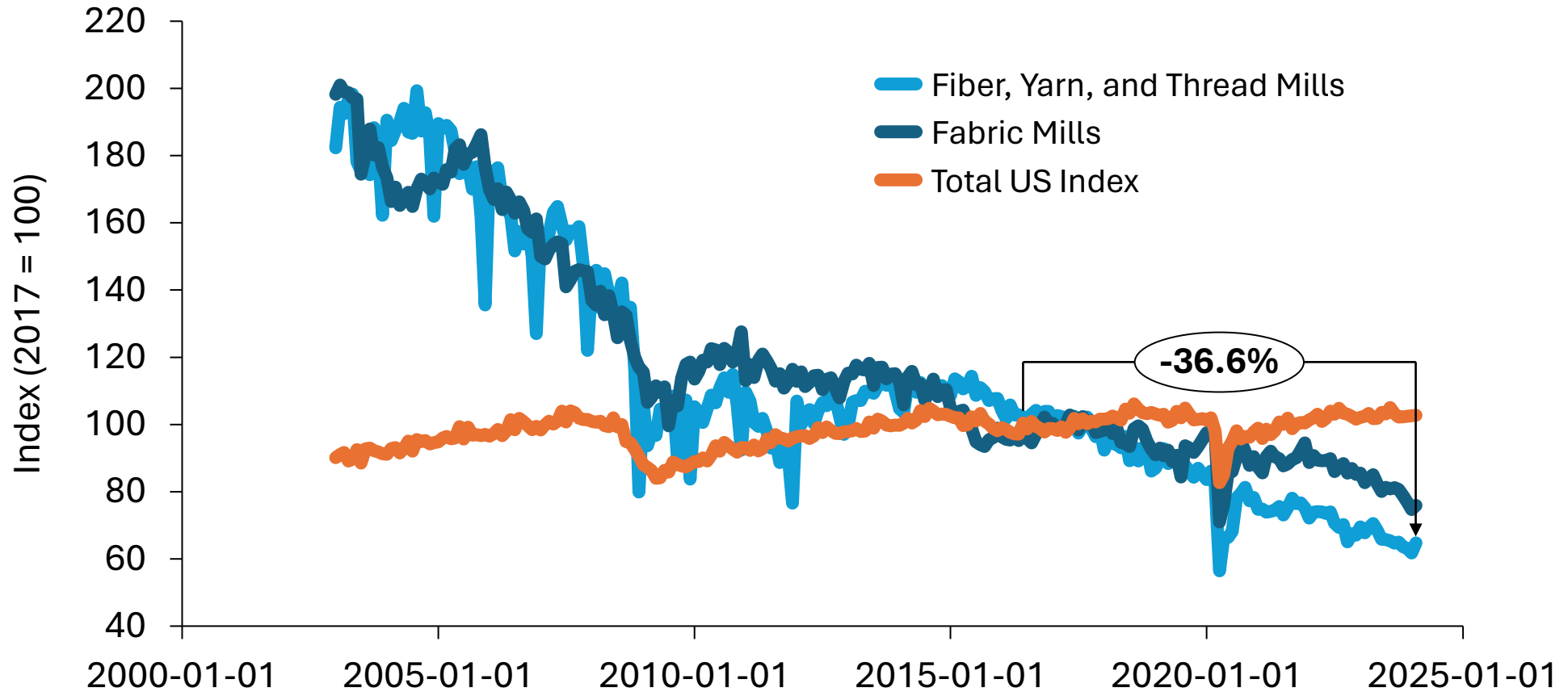
# US production indices



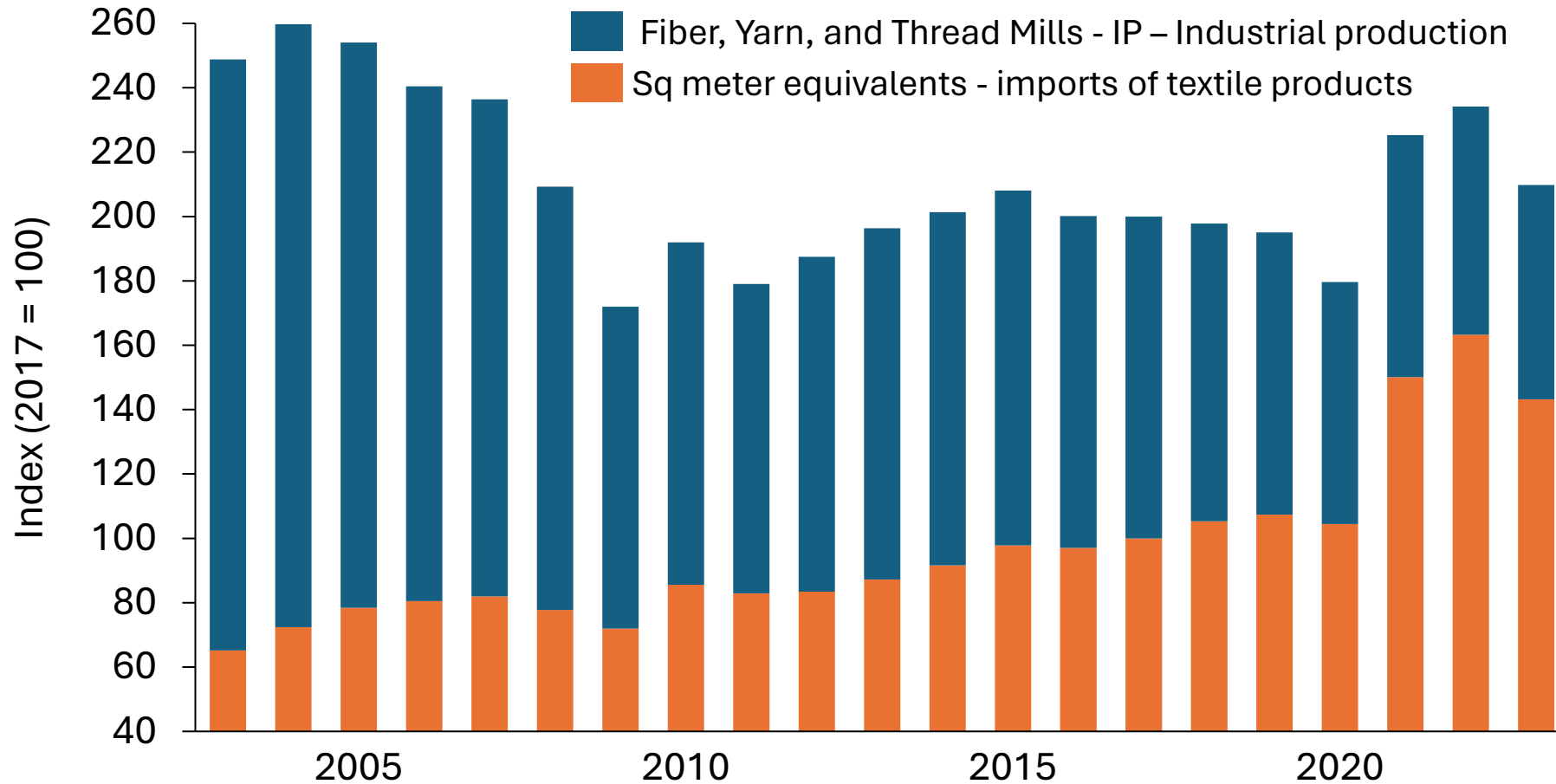
# US production indices



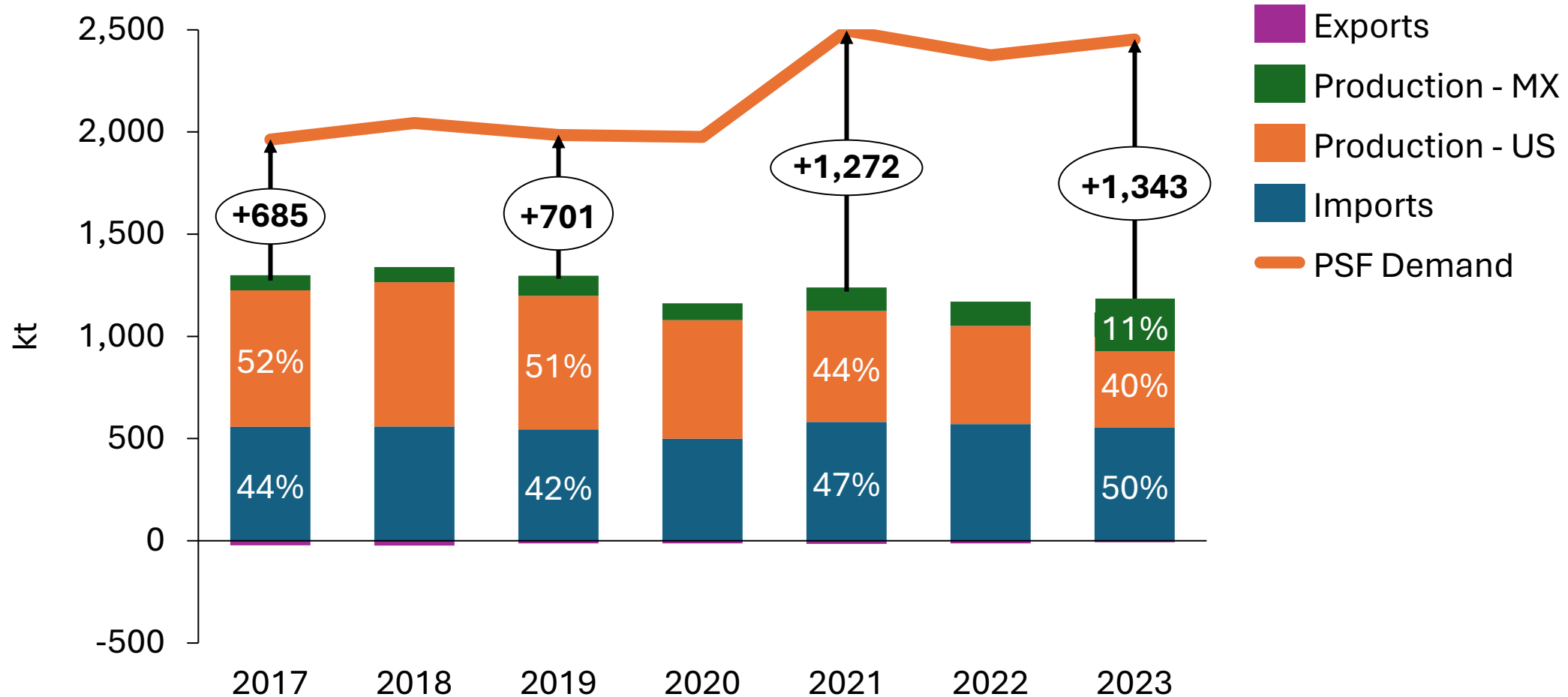
# US production indices



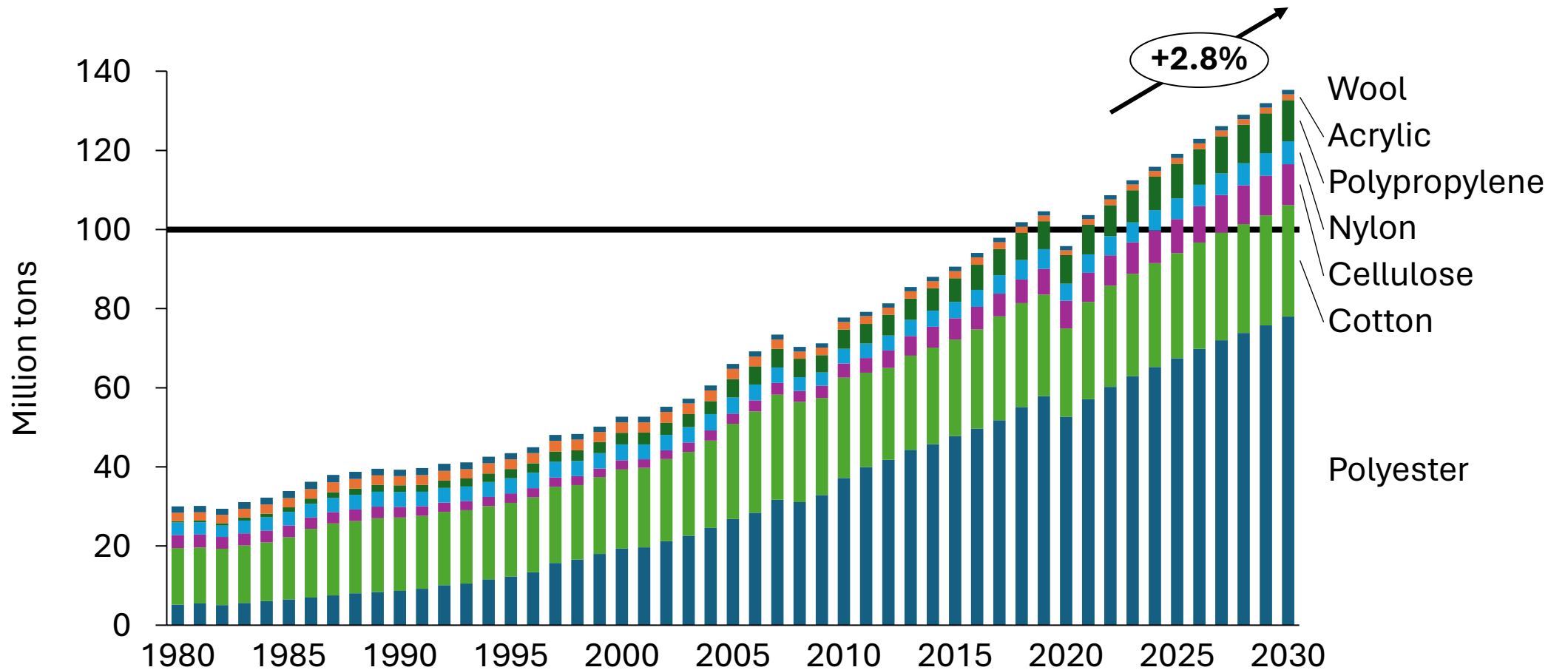
# US production and imports indices



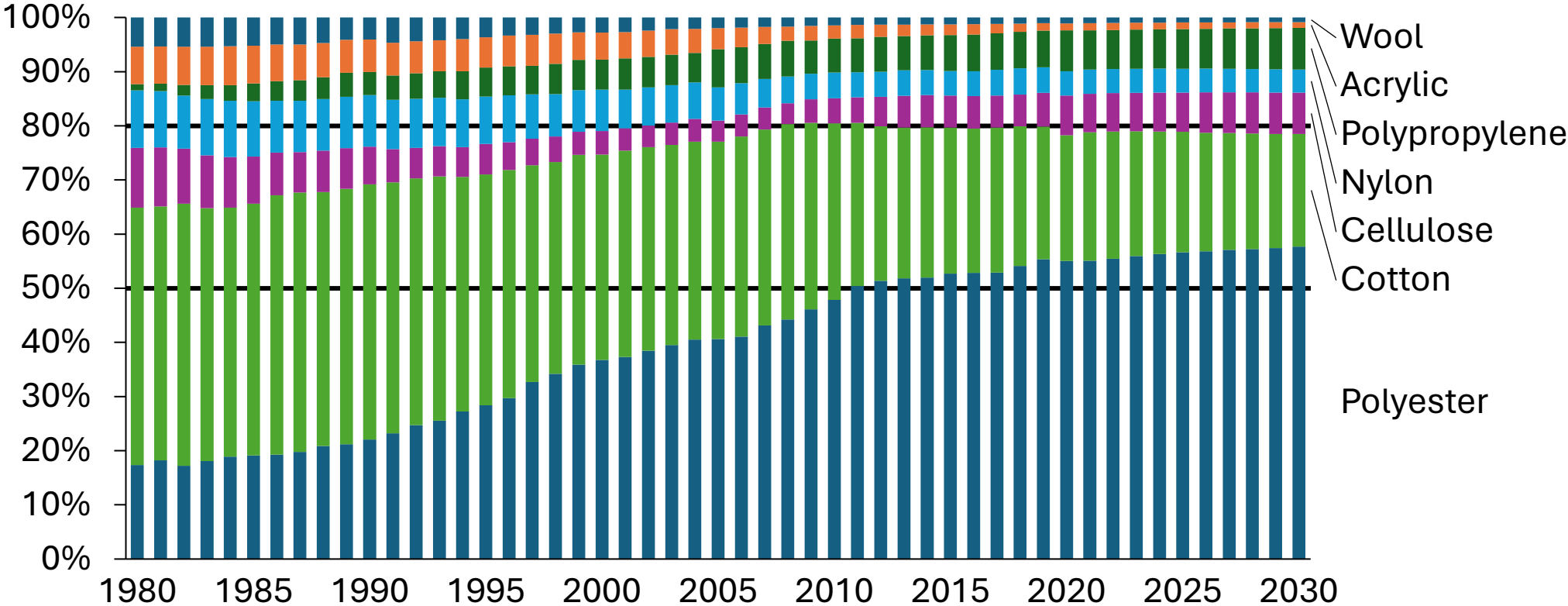
# North America PSF landscape



# Global Mill Consumption

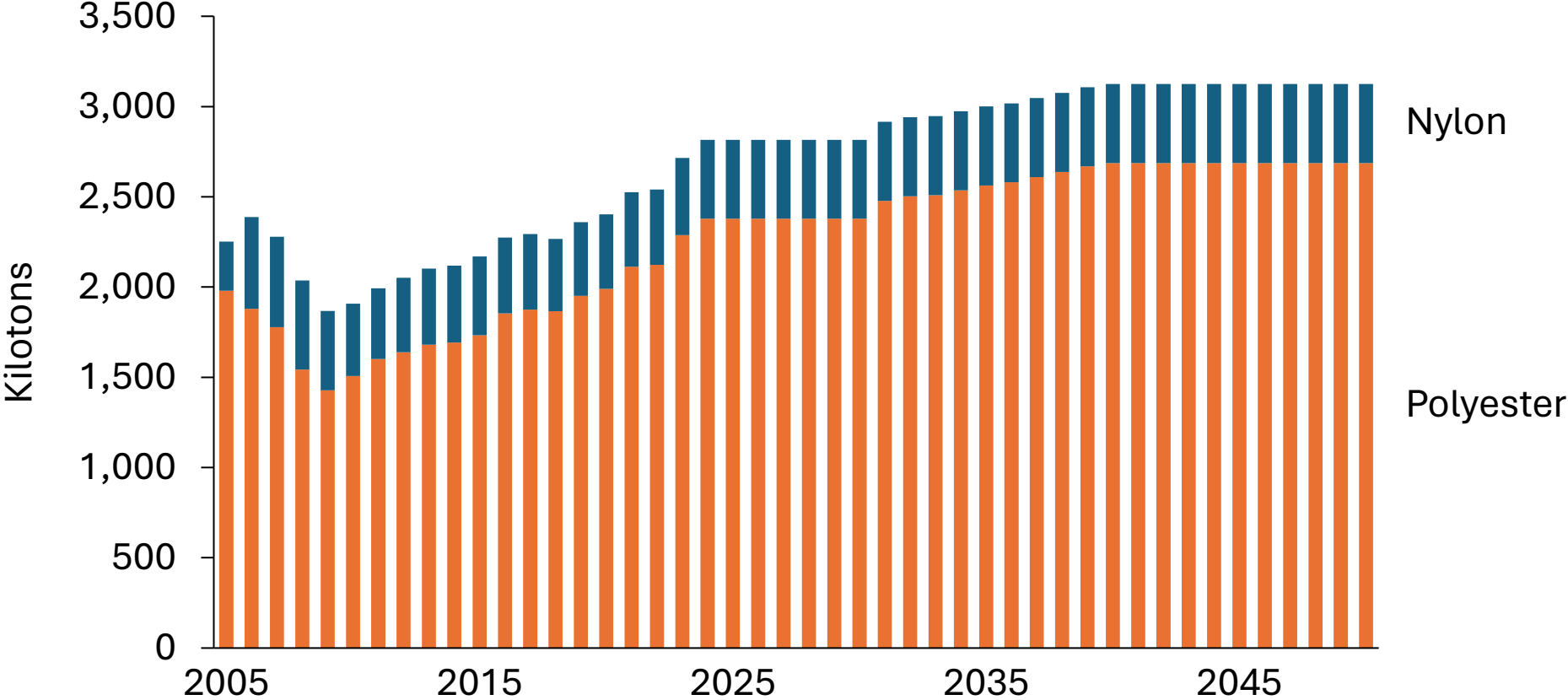


# Total Mill Consumption



Source: Wood Mackenzie Chemicals Fibers Long Term Report

# Total US fiber capacity



Source: Wood Mackenzie Chemicals Fibers Long Term Report



# Sustainability and things to consider

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# Sustainability

Definition: a method of harvesting or using a resource so that the resource is not depleted or permanently damaged

Websters

It is not Industry's job to refrain from damaging the environment, prevent economic inequality, or invest in philanthropic causes.

Milton Freidman, 1970

## • Challenges for the textile industry:

- Carbon neutrality
- Bottle wars
- Like-to-like recycling
- Product composition
- Collection methods
- Extended producer responsibility
- Sourcing
- De minimis competition
- Trade wars sending purchasing downstream
- .....



# Sustainable fiber nomenclature proposal



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**Hydrogen** comes in many different colors:

- **Green** hydrogen is made from renewable energy, with no harmful GHG emissions
  - **Blue** hydrogen is produced mainly from natural gas
  - **Grey** hydrogen comes from NG or methane, but emissions aren't captured
- Black, brown, pink, turquoise, yellow** and **white** are also defined

**So, let's define our sustainable fibers!**

# Sustainable fiber nomenclature proposal



Fibers can also be categorized under the different spectrums:

**Blue** fibers - made with recycled fibre content (like to like/closed loop)

**Yellow** fibers - completely recyclable

**Green** fibres - made with recycled fibers, and are recyclable

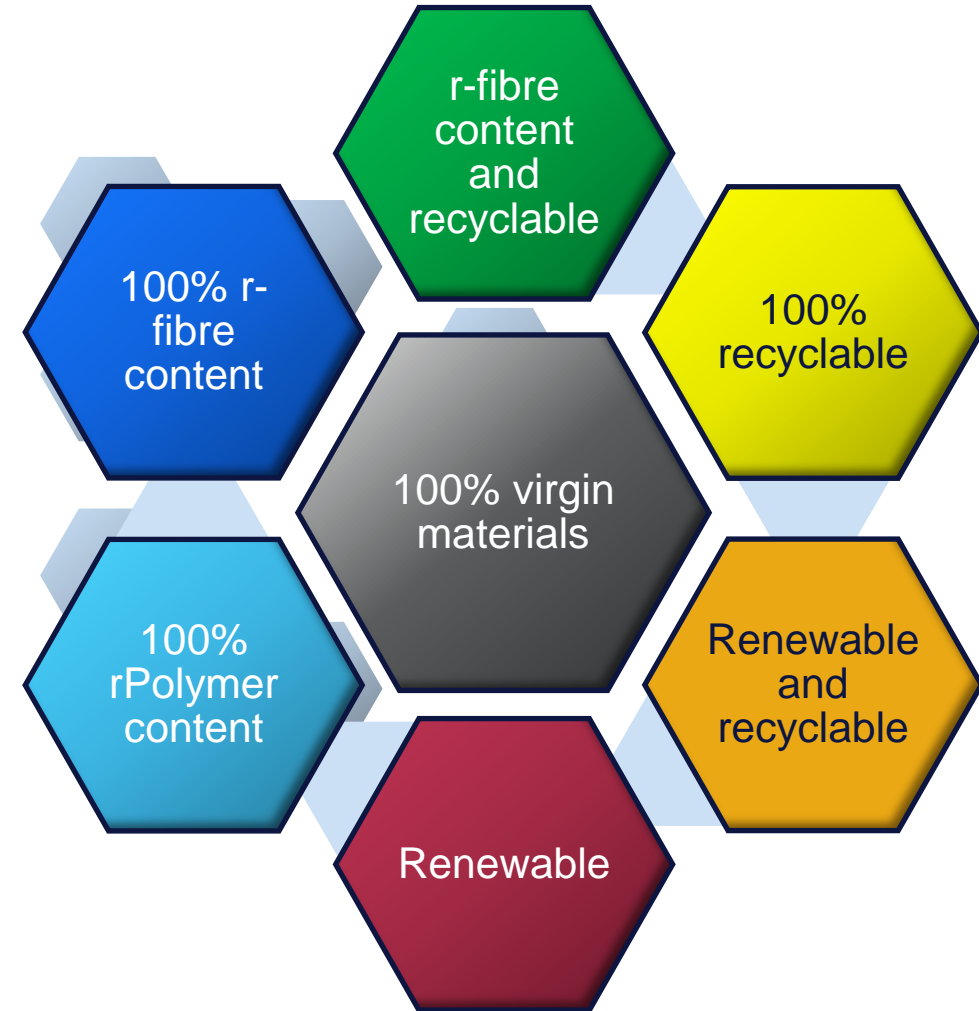
**Turquoise** fibers - made with recycled content other than from fibres (such as from recycled bottles)

**Black** fibers - made from virgin materials

**Red** fibers - are renewables (i.e. cellulosics)

**Orange** fibers - are both renewable and recyclable

Others: White = carbon-free?

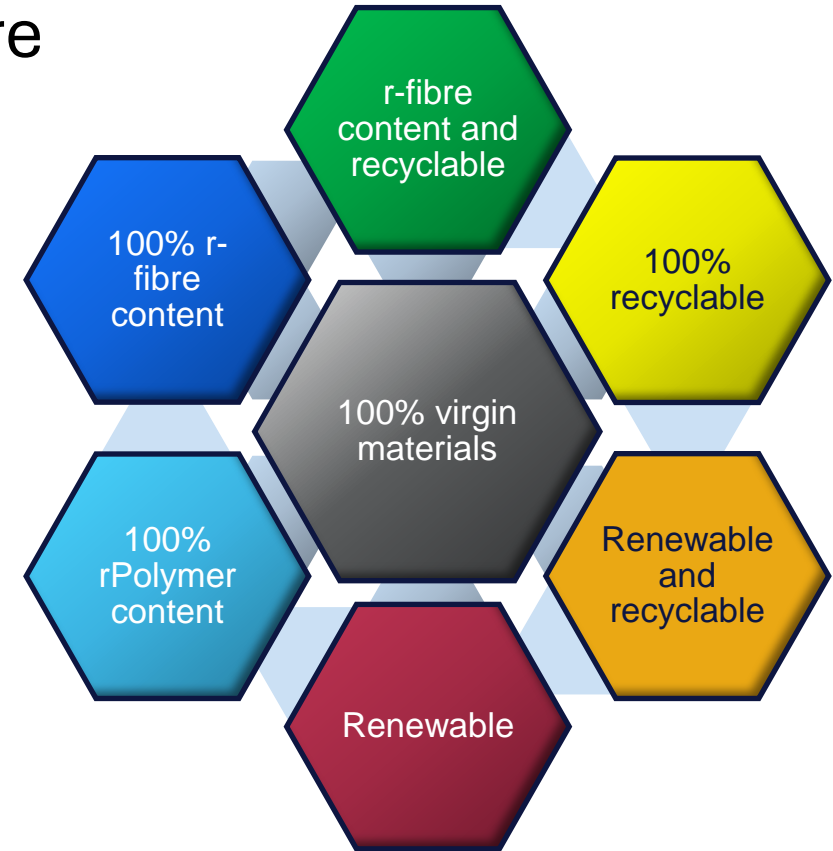
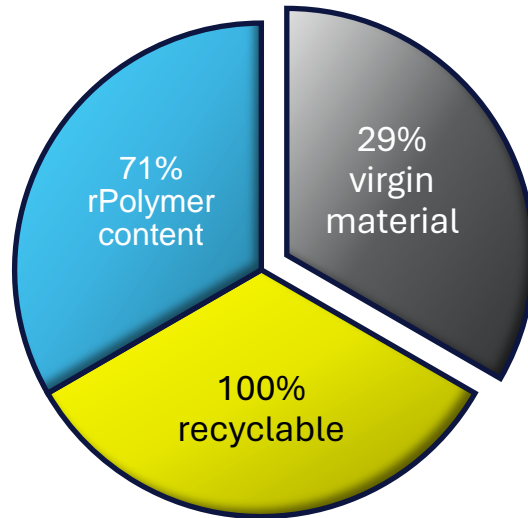


# Sustainable fiber nomenclature proposal



Let the customer choose wisely, or, buyer beware

Example: This fiber (or textile) is:



End users can choose their clothing, their climbing ropes, their carpets...based on their own personal choices, and it is up to the fiber producers to give them those choices.

If you are interested in pursuing these concepts with me, please make contact.

# And Finally...

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# Conclusions

**Covid effects** – ongoing, but poised to calm down

**Imports** – likely to continue, at lower prices than regional producers

**Reshoring / Near shoring** – not as important vs. pricing

**Decision making** – survival mode vs strategic

**Financial challenges** – continue

**Customers** – continue to move downstream for purchases

**Sustainability** – cost rules for now

# And for a definite conclusion:



This will be my final week with Wood Mackenzie.

For questions for WoodMac in the future, please reach out to Maria Lima ([maria.lima@woodmac.com](mailto:maria.lima@woodmac.com)).

Or

[Laura.murphy100@gmail.com](mailto:Laura.murphy100@gmail.com) or lauramurphy100 on linkedin.com



# Questions?



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<https://mywordle.strivemath.com/?word=yccrc>

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