

ECONOMIC AND TRADE NOTES

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Shanghai Piece Goods & Yarn Trade

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The early part of October witnessed considerable activity in all piece goods lines due to the depreciated value of the pound sterling and the Anti-Japanese boycott. A little interest was also in evidence from Hankow and up river ports, although the Yangtze Valley market has been greatly curtailed by the floods which are now abating. The boycott is so strong that no Japanese goods have been booked although dealers holding pre-boycott purchases of Japanese goods are being permitted to dispose of them by arrangement with the Boycott Association for a limited period. This fact combined with the drop in sterling have caused renewed interest and activity in British piece goods. However, British goods are profitting almost entirely from the favorable exchange and boycott as the market cannot be described as good, inasmuch as the interior trade will not recover this year from the floods and the northern traders have adopted a very cautious attitude since the Japanese occupation of Manchuria. Toward the end of October the piece goods market had quietened considerably due, it is generally believed, to a tightening up of the money market and the rise in the value of sterling.

While British piece goods have profitted considerably from the present situation, the bookings of British yarn have been greater than for many a previous season. Certain firms have stated that there are

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no further supplies available of many of the higher counts in England. The drop in the value of sterling made British yarn of counts above 42 competitive in price with locally produced yarn of similar counts. Local mills ordinarily do not produce a very great quantity of high count yarn, but many of them are expending their efforts towards doing so now in view of the boycott on Japanese goods and the extremely low price of American raw cotton. Estimates are that 10,000 or more bales of British yarns were booked the earlier part of this month. This is not a huge amount for this market when it is considered that Shanghai mills produce over 20,000 bales per month. However, Britain has not had so much business from this market for years, and interest in her yarn is still lively, although it is said bookings are not being made more than three months in advance.

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