

THE FABRIC OF AN INDUSTRY REVIVAL

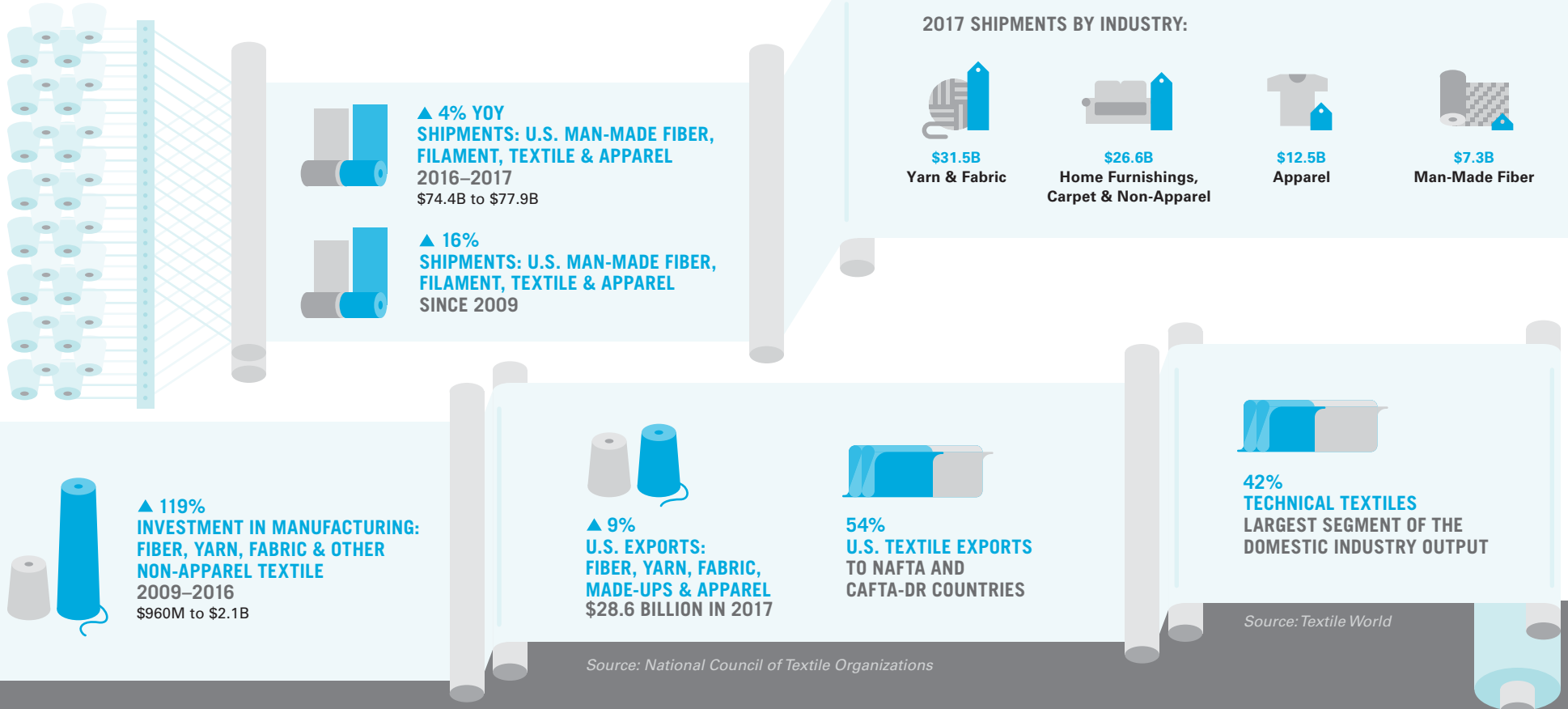
MAY 2018



While the last quarter of the 20th century saw the decline of U.S. textiles as jobs were shipped overseas, analysts are starting to see the seeds of a reversal. With populist trade agreements in play, and an increase in domestic investment, U.S. shipments and exports point to an industry in the early stages of revival, with technical textiles making up the largest segment.

STRANDS OF GROWTH

U.S. textiles have shown robust growth in the past several years, with increased manufacturing investment bearing fruit throughout 2017 in all segments.

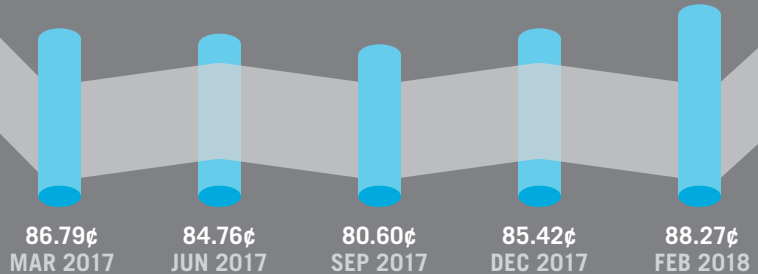


STITCHING UP THE COTTON MARKET

With international production shortages, a rash of speculative buying drove early-2018 prices higher. Despite subsequent price cooling, observers believe higher prices will be sustained through March.

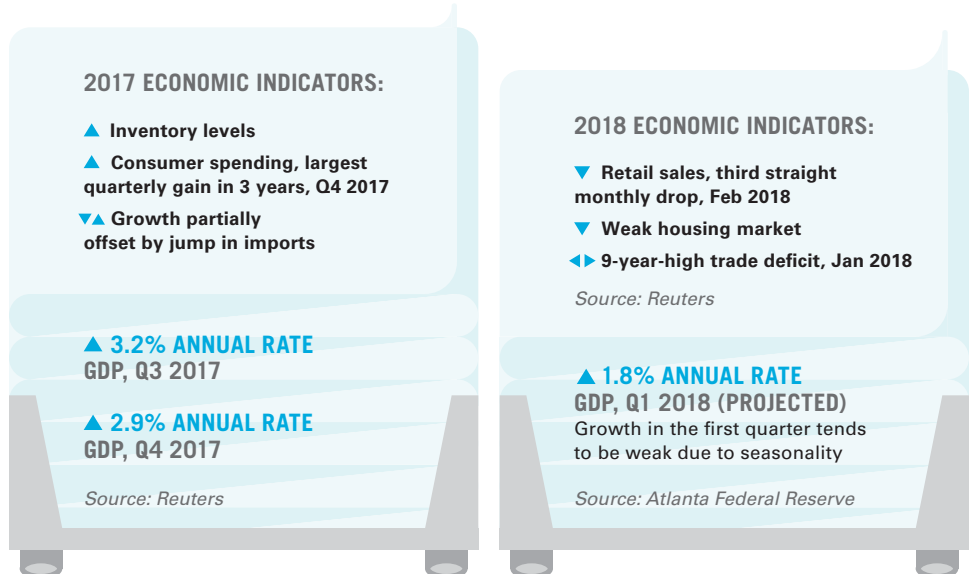
"A" INDEX COTTON PRICES (CENTS PER POUND):

Source: National Cotton Council of America



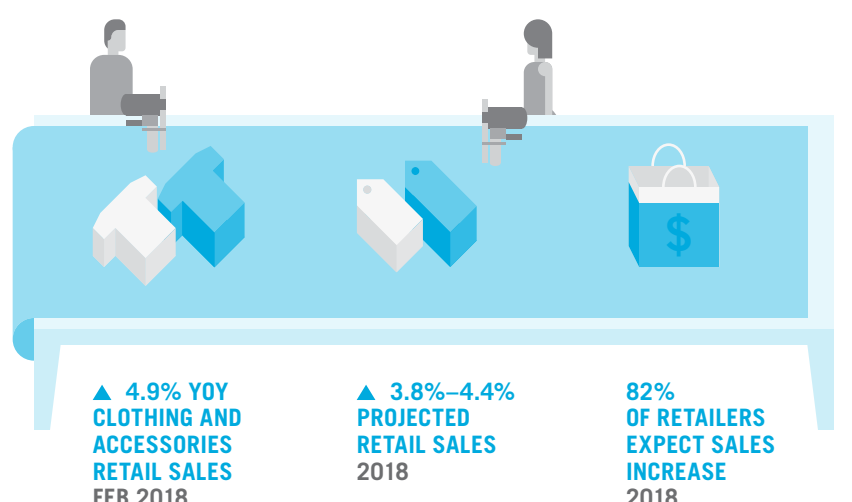
WOVEN ECONOMICS

While the economy grew 2.3% in 2017, an acceleration from 1.5% in 2016, the growth was followed by slowing economic activity in Q1 2018.



A FASHIONABLE TREND

Strengthened by a strong labor market, consumer spending increased throughout 2017. In 2018, the online segment should continue to drive retail growth as consumers spend more take-home pay due to the new tax bill.



LOOKING FOR THE RIGHT FIT

Overall U.S. economic growth in 2017 lifted nearly all boats, including those carrying bales of cotton. The brightest segment continues to be technical textiles, with some experts believing its growth could rival the 1960s. Key signs, such as 2018 projections for cotton and retail, continue to point in the right direction. Additionally, new trade policies of the Trump administration continue to place importance on domestic manufacturing, which could bear fruit for U.S. textiles as a rebalancing of trade agreements continues to be negotiated.

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