

Olefinscan

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Ethylene Assessments

Europe

	Monday	Tuesday	Wednesday	Thursday	Friday	Average
FD NWE*	583.50-587.50	585.50-589.50	587.50-591.50	590.00-594.00	593.50-597.50	588.00-592.00
FD NWE JUL*	-	-	-	-	569.00-573.00	569.00-573.00
FD NWE AUG*	-	-	-	-	594.50-598.50	590.30-594.30
CIF NWE**	634.00-638.00	634.50-638.50	638.00-642.00	636.00-640.00	642.00-646.00	636.90-640.90
CIF NWE JUL**	-	-	-	-	615.50-619.50	616.30-620.30
CIF NWE AUG**	-	-	-	-	643.00-647.00	639.20-643.20
CIF MED**	-	-	-	-	693.50-697.50	-
CIF MED JUL**	-	-	-	-	665.00-669.00	-
CIF MED AUG**	-	-	-	-	694.50-698.50	-

Monthly Contract Price (Jul)*: 1120.00-1120.00 FD NWE

Ethylene Contract Price Indicator (Eur/mt)	
AUG	1169.50
Rolling monthly average AUG	1134.200
A detailed explanation of the Platts Ethylene Indicator methodology can be found here: http://www.platts.com/IM.Platts.Content/MethodologyReferences/MethodologySpecs/petchemeuropemethodology.pdf	

	(\$/mt)	(Eur/mt)
Platts Cracker Margin (spot):	-203.87	-184.82
Platts Cracker Margin (contract):	757.17	685.00

*Eur/mt. **\$/mt.

US (¢/lb)

	Monday	Tuesday	Wednesday	Thursday	Friday	Average
FD Mont Belvieu M1 Jul	16.000-16.500	15.750-16.250	15.875-16.375	15.875-16.375	15.875-16.375	15.875-16.375
FD Mont Belvieu M2 Aug	16.250-16.750	16.250-16.750	16.125-16.625	16.125-16.625	16.125-16.625	16.175-16.675
FD Choctaw M1 Jul	15.88	15.88	15.750	16.00	16.00	15.900
FD Choctaw M2 Aug	16.00	16.00	16.000	16.00	16.00	16.000
FOB USGC Export	22.250	22.000	22.125	22.125	22.125	22.125

Net Contract Price (JUNE): NA-NA Delivered

Asia (\$/mt)

	Monday	Tuesday	Wednesday	Thursday	Friday	Average
FOB Korea	-	-	-	-	749-751	-
CFR SE Asia	744-746	744-746	769-771	769-771	769-771	759.00-761.00
CFR NE Asia	769-771	769-771	769-771	769-771	769-771	769.00-771.00

Asian ethylene spot assessments reflect LC 0-30 days.

Propylene Assessments

Europe (Eur/mt)

	Monday	Tuesday	Wednesday	Thursday	Friday	Average
Poly Grade						
FD NWE	501.50-505.50	503.50-507.50	505.50-509.50	518.50-522.50	626.50-630.50	531.10-535.10
FD NWE JUL	-	-	-	-	598.00-602.00	512.00-516.00
FD NWE AUG	-	-	-	-	627.50-631.50	533.10-537.10
CIF NWE	501.50-505.50	503.50-507.50	505.50-509.50	518.50-522.50	626.50-630.50	531.10-535.10
CIF NWE JUL	-	-	-	-	598.00-602.00	512.00-516.00
CIF NWE AUG	-	-	-	-	627.50-631.50	533.10-537.10
Chem Grade					Spot Friday	Average
FD NWE	-	-	-	-	500.50-504.50	-
FD NWE JUL	-	-	-	-	478.00-482.00	-
FD NWE AUG	-	-	-	-	501.50-505.50	-
CIF NWE	-	-	-	-	470.50-474.50	-
CIF NWE JUL	-	-	-	-	448.00-452.00	-
CIF NWE AUG	-	-	-	-	471.50-475.50	-

Poly Grade Monthly Contract Price (Jul): 1000-1000

Propylene Contract Price Indicator (Eur/mt)	
AUG	1049.00
Rolling monthly average AUG	1013.425
A detailed explanation of the Platts Propylene Indicator methodology can be found here: http://www.platts.com/IM.Platts.Content/MethodologyReferences/MethodologySpecs/petchemeuropemethodology.pdf	

Ethylene

European Ethylene: Muted spot activity amid weak demand

- Ample availability continues to pressure market
- Naphtha prices rise in July
 Spot activity in the European ethylene market was thin in the week to July 28 due to weak derivative demand amid summer holidays.

The European ethylene three- to 30-day forward free-delivered northwest spot price was assessed at Eur595.50/mt July 28. There were no indications of trades heard in the past week, as activity on spot was muted. A consumer said the market was struggling to maintain contractual volumes, therefore extra material was not needed.

The overall demand fundamentals stayed subdued in the past week. The market continued to be oversupplied despite reduced European production. Some participants anticipate cracker shutdowns towards the end of the year to curb market length.

In the derivative markets — polyethylene and glycols — weak demand continued to dominate sentiment.

In upstream, naphtha prices rose in July. Naphtha was assessed at \$625.25/mt CIF NWE July 28, up \$97.25/mt from the end of June. However, market views remained split on whether the upstream increase would influence the August industry-settled contract price of ethylene amid weak fundamentals.

Platts is part of S&P Global Commodity Insights.

Platts European Ethylene Weekly Rationale

Platts assessed the three-to 30-day forward free-delivered northwest European ethylene spot price at Eur595.50/mt July 28, up Eur3.50/mt on the day and Eur13/mt on the week.

Propylene Assessments (continued)

US (¢/lb)

Dlvd USG	Monday	Tuesday	Wednesday	Thursday	Friday	Average
Poly Grade M1 Jul	31.500-32.000	31.000-31.500	31.500-32.000	31.000-31.500	31.000-31.500	31.200-31.700
Poly Grade M2 Aug	31.625-32.125	31.125-31.625	31.625-32.125	31.125-31.625	31.125-31.625	31.325-31.825
Ref Grade	9.750-10.250	9.750-10.250	9.750-10.250	9.750-10.250	9.750-10.250	9.750-10.250

Poly Grade Contract Price (July): NA-NA Delivered

Chem Grade Contract Price (July): NA-NA Delivered

Asia (\$/mt)

	Monday	Tuesday	Wednesday	Thursday	Friday	Average
FOB Korea	734-736	734-736	734-736	739-741	744-746	737.00-739.00
CFR Taiwan	-	-	-	-	794-796	-
CFR SE Asia	-	-	-	-	774-776	-
FOB Japan	-	-	-	-	779-781	-
CFR China	779-781	784-786	784-786	789-791	794-796	786.00-788.00
East China Prompt	6415-6435	6430-6450	6440-6460	6465-6485	6465-6485	-
Shandong China Prompt	6515-6535	6470-6490	6470-6490	6520-6540	6615-6635	-

Asian ethylene spot assessments reflect LC 0-30 days.

Ethylene Glycol Assessments

Europe

	Spot Friday
MEG FCA ARA T2 (Eur/mt)	453-457
MEG FD NWE T2 (Eur/mt)	493-497
MEG CIF ARA T2 (Eur/mt)	428-432
MEG CIF ARA T2 (\$/mt)	472.00-476.00

MEG Monthly Contract Price (Jul): NA-NA (Eur/mt)

DEG FCA ARA T2 (Eur/mt)	753.00-757.00
DEG FD NWE T2 (Eur/mt)	793.00-797.00

US (¢/lb)

	Spot Friday
FOB USG	18.00-19.00

Fiber Grade Monthly Contract Price (Jul): 34.38-34.38

Asia (\$/mt)

	Spot Friday
CFR SE Asia	492-494

China assessments

	Monday	Tuesday	Wednesday	Thursday	Friday	Average
CFR China	469-471	474-476	479-481	479-481	484-486	477.00-479.00
Domestic	4010-4030	4040-4060	4100-4120	4100-4120	4130-4150	4076.00-4096.00

CFR China assessments in \$/mt. Domestic in Yuan/mt

MEG CP Nomination (August) – CFR Asia: MEGlobal: 810 Sabic: 880 Shell: 830

Asian ethylene glycol assessments are basis L/C 90 days.

Butadiene Assessments

Europe

	Spot Friday	Weekly Average
FD NWE (Eur/mt)	498.00-502.00	474.00-478.00
FOB Rdam (\$/mt)	408.00-412.00	326.00-330.00

Butadiene Monthly Contract FD NWE JUL: 810-810 (Eur/mt)

US (¢/lb)

	Spot Friday
CIF USG	23.75-24.25

Monthly Contract Price (Jul): 25.75-26.25

Asia (\$/mt)

	Spot Friday	Weekly Average
FOB Korea	679-681	671.00-673.00
FOB China	670.00	662.00
CFR NE Asia	699-701	683.00-685.00
CFR Taiwan	699-701	
CFR SE Asia	639-641	
CFR China	729-731	721.00-723.00

The August FD NWE spot differential was assessed at a 49% discount, unchanged on the day and on the week, considering the muted spot activity and weak demand, pending fresh August price indications.

The July FD NWE spot differential was assessed at a 49% discount to the industry-settled contract price, unchanged on the day and on the week, within a consumer's notional indication at 45-50%, while considering feedback of muted spot activity, oversupply, and weak demand.

The August CIF NWE spot differential was assessed at a 50% discount, unchanged on the day and on the week, considering feedback of muted spot activity and weak demand, pending fresh August price indications.

The July CIF NWE spot differential was assessed at a 50% discount to the industry-settled contract price, unchanged on the day and on the week, considering muted spot activity and concluded July activity.

The August CIF Mediterranean spot differential was assessed at a 46% discount, unchanged on the week, pending fresh August price indications.

The July CIF Mediterranean spot differential was assessed at a 46% discount to the industry-settled contract price, unchanged on the day and on the week, considering muted spot activity and concluded July activity.

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US Ethylene: Prices flat on muted market activity

- Quiet end of week
- Ethane strengthens for second straight day

Platts assessed ethylene flat across both locations. There was limited market activity throughout the day, with no indications of trades heard.

As the month closes, with the ethylene contract price expected to settle next week, there was limited market activity with few bids and offers heard.

Upstream, Enterprise ethane rose by 2.375 cents to 31.125 cents/gal on the day.

Given ethylene flat prices on the week, the Ethane Cracker Margin followed ethane price changes rising 3 cents in the first half of the week, as ethane prices dropped, but falling 1.6 cents over the last two days as ethane regained strength.

In Asian markets, the week closed with few bids and offers and buyers remaining cautious. In Europe, there was weak demand, which kept prices steady week on week. Naphtha prices rose in both Europe and Asia.

Downstream, polyethylene exports increased month on month, American Chemistry Council data showed.

MEG spot prices rose on the week, with supply expected to tighten. Dow Chemicals declared force majeure on ethylene oxide at its Plaquemine, Louisiana complex, following a July 14 explosion at the site.

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NWE Crude C4 / Raffinate 1 assessments (\$/mt)

Spot CIF NWE Crude C4	561.73-563.73
Spot CIF NWE Raffinate 1	874.85-875.85
Crude C4 factor	0.90
Raffinate 1 factor	1.40

Platts SBR weekly prices

NWE SBR – July 28

	FD NWE (\$/mt)	Change on week	FOB NWE (\$/mt)	Change on week
ESBR 1500	1398.00-1402.00	-30.00	1487.00-1491.00	-46.00
ESBR 1502	1398.00-1402.00	-30.00	1487.00-1491.00	-46.00
ESBR 1723	1298.00-1302.00	-30.00	1377.00-1381.00	-44.00
ESBR 1783	1298.00-1302.00	-30.00	1377.00-1381.00	-44.00
SSBR	1853.00-1857.00	-30.00	1989.00-1993.00	-50.00

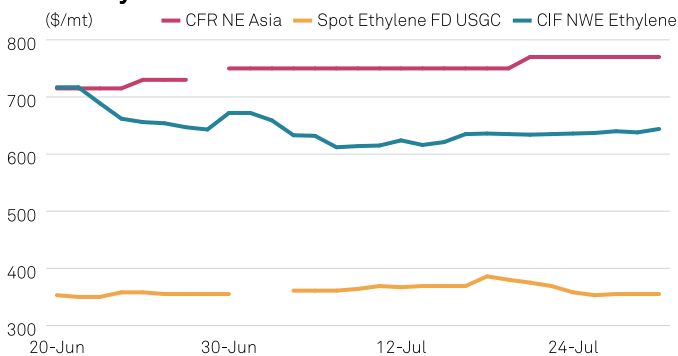
Asian SBR – July 28

	CFR NE Asia (\$/mt)	Change on week	CFR SE Asia (\$/mt)	Change on week
ESBR 1502	1419.00-1421.00	0.00	1474.00-1476.00	-25.00

Last settled US olefins contracts (cts/lb)

Ethylene			Propylene		
Net	27	June	PGP	35	July

Global Ethylene Prices



More charts at pmc.platts.com

Platts US Ethylene Daily Rationale

Platts assessed July spot Mont Belvieu ethylene at 16.125 cents/lb FD Mont Belvieu on July 28, stable on the day.

The assessment kept the previous market structure with no fresh bids, offers or trades heard through the day.

Forward-month August spot Mont Belvieu ethylene was assessed at 16.375 cents/lb FD Mont Belvieu, unchanged on the day. The assessment came within a bid-offer heard at 16.25-17 cents/lb.

July Choctaw ethylene was assessed at 16 cents/lb FD Choctaw on July 28, steady on the day. The assessment came within a bid-offer heard at 15.625-16.25 cents/lb.

Forward-month August Choctaw ethylene was assessed at 16 cents/lb, stable on the day. The assessment kept the previous value with no fresh bids, offers or trades heard through the day.

Platts assessed US Gulf Coast spot export ethylene at 22.125 cents/lb, or \$487.768/ mt FOB USG, unchanged on the day, based on market feedback of export FOB USG ethylene at a 6-7 cents/lb premium to EPC, forgoing a netback calculation.

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Asian Ethylene: Few firm bids and offers

- Some recovering derivative spreads boost selling sentiment
- Buyers covered for August, wait-and-see for September

Trade in the Asian ethylene markets was muted in the week ending July 28, with few firm bids and offers.

Selling indications were heard at \$810-\$830/mt CFR Northeast Asia for fixed price cargoes and a \$20-\$30/mt premium over CFR NE Asia for formula cargoes.

Buying indications were heard at \$750-\$770/mt CFR NE Asia in the week. On a formula basis, buying indications were heard at premiums of \$10-\$19/mt over CFR NE Asia.

Buyers remained cautious on the back of uncertain downstream demand despite recovering margins.

The spread between key derivative PE and ethylene was calculated at \$200/mt July 28, above the typical spread of \$150/mt, boosting selling sentiment.

Demand for PVC was also deemed robust as cargoes for September-loading were selling well, according to market sources.

However, production margins for SM remained weak on the back of strong benzene prices, weighing on ethylene buying interest in the SM sector.

MEG margins were also poor, despite support seen for export sales of polyester POY and FDY grades.

There was a general lack of buying urgency in the week, with majority of buyers covered for August. Negotiations for September cargoes had yet to commence in full swing, as suppliers were also cautious on the back of the eighth consecutive increase in naphtha prices.

Upstream, the benchmark C+F Japan naphtha marker was assessed up \$12.50/mt at \$638.75/mt on the July 28 Asian close.

The ethylene-naphtha spread was calculated at \$131.25/mt,

Global Production Update

Company	Location	Product	Capacity	Timing	Status
LyondellBasell	Berre, France	C2	470	Aug. 2 - Jan, 2023	UN
LyondellBasell	Berre, France	C3	255	Aug. 2 - Jan, 2023	UN
LyondellBasell	Berre, France	CC4	80	Aug. 2 - Jan, 2023	UN
OMV	Schwechat	C2	500	Q2 2023	PL
TotalEnergies	Antwerp 3	C2	580	10/1/2023	PL
CSPC	Huizhou	C4	165	SD July 17, RS unclear	UN
Zhongke Refining	Zhangjiang, China	C4	130	SD July 11 to July 20	UN
Zibo Qixiang Tengda	Zibo	C4	150	TA from July 7, 10 days	PL
Zhejiang PC (1)	Zhejiang	C4	200	SD July 8-9 for repairs, RS July 13	UN
Daqing PC	Daqing	C4	170	TA from June 10 to early Aug	PL
Lanzhou PC	Lanzhou	C4	135	TA from June 13 to late July	PL
Yanshan PC	Yanshan	C4	65	TA May 15-19, July 15 to Aug 3	PL
OPAL	Dahej	C2, C3	1,100, 400	TA from June 22 to July 9	PL
YNCC (1)	Yeosu	C2, C3	990/450	SD June 22-23, RS June 24-25	UN
YNCC (3)	Yeosu	C2, C3	500/240	SD June 22-23, RS June 24-25	UN
YNCC	Yeosu	C4	240	OR65% in June	UN
JG Summit	Batangas	C2, C3, C4	480/240/70	RS June 27 after 4-mths SD, OR 70% in July	UN
Zhangjiagang Yangzijiang	Yangzijiang	C3	600	SD late June	PL
Shandong Weite	Shandong	C4	60	RS June 18 after SD in Oct 2022	UN
Liaoning Baolai	Liaoning	C4	120	SD June 6, RS date unclear	UN
Sinopec Quanzhou	Quanzhou	C4	127	TA May 10, 20 days	PL
Yantai Wanhua	Yantai	C4	50	TA May 8, 45 days	PL
Wanhua Chem	Yantai	C2	1000	TA May 8, 45 days	PL
Bharat Petroleum	Bina	C2	1200	SU planned in 2027	PL
Fushun Petrochemical	Fushun	C4	160	SD Apr 9-11, problems	UN
Liaoyang PC	Liaoyang	C4	30	TA April 8, 40 days	PL
North Huajin	Panjin	C4	120	TA April 28, 10-15 days	PL
Shenhua Ningxia Coal	Ningxia	C4	64	TA from Apr 23, 30-40 days	PL
JSR	Chiba	C4	130	TA from end-Jun to early Aug	PL
Okayama Butadiene	Mizushima	C4	140	TA in June	PL
Fujian Meide	Fujian	C3	660	OR100% in Apr, May, June, July	UN
Shandong Liqing	Shandong	C4	140	SD March 14-20	PL
Zhejiang PC (1)	Zhejiang	C4	200	SD Mar 25-26, RS March 31, repairs	UN
Zhejiang PC (3)	Zhejiang	C4	250	SD Jan 4-10, repairs	UN
Oriental Energy	Maoming	C3	600	SU delays to Apr vs Feb, construction delay>> further delayed to May H2> H1 Jun>mid-Aug	UN
Oriental Energy	Ningbo	C3	660	TA from Apr 19, one month	PL
Hebei Haiwai	Hebei	C3	500	SD Feb 20, RS unclear	UN
Ningbo Kingfa	Ningbo	C3	600	SD March 10 to May	PL
Shaoxing Sanyuan	Shaoxing	C3	450	SD Jan 6, RS mid-March	PL
Zhejiang Huahong	Zhejiang	C3	450	SD Feb 8 to late March	PL
Ningxia Runfeng	Ningxia	C3	300	SD Feb 25 to mid-Apr	PL
Zibo Haiyi	Zibo	C3	250	SD Jan 31, RS unclear >> May 30	UN
Zibo Qixiang Tengda	Zibo	C3	700	SD March 25 to mid-May	PL
Ningbo New Materials	Ningbo	C3	1260	TA Apr 19 to May 20	PL
Liaoning Kingfa	Liaoning	C3	600	SD March 10, RS unknown	UN
Tianjin Bohai	Bohai	C3	620	TA in H1 Jan vs original H2 Jan plan, RS planned Feb 25> delayed to Feb 28>> Delayed to Apr 7>> Apr 29	PL
Jiangsu Sailboat	Lianyungang	C3	700	Feb OR 70%, March OR 85%	UN
LG Chem	Yeosu (2)	C4	133	SD in Jan 2023	UN
Zhenhai Refining	Zhenhai	C4	165	TA from Feb 28 to mid-May	PL
PTT OLE 2/2	Map Ta Phut	C2, C3	NA	TA Feb - March	PL
PTT OLE 1	Map Ta Phut	C2, C3	NA	TA mid Oct, one month	PL
PTT OLEFLEX	Map Ta Phut	C2, C3	NA	TA late Sep to late Nov	PL
JG Summit	Batangas	C2, C3, C4	480/240/70	SD H2 Feb, margin	UN
Sinopec Hainan	Hainan	C2, C3, C4	1,000/500/160	SU H1 Feb	NEW
SK Advanced	Ulsan	C3	600	OR80% in Feb, 82% in Apr, 80% in May, TA from June 7, 2 weeks, to restart July 10	UN, PL
SCG	Map Ta Phut	C2, C3	900/800	RS postponed to Feb/Mar, TA Sep 15, 2022	UN
Taekwang	Ulsan	C3	300	OR75% in Feb vs 77% in Jan, 80% in Apr, 78% in May, 80% in June	UN
Idemitsu	Chiba	C2, C3	374/224	OR 90-95% in Dec 2022, Jan, Feb 2023, TA in March - Apr 2023, 90-95% in May/ June	PL
Idemitsu	Tokuyama	C2, C3	623/450	OR 90-95% in Dec 2022, Jan, Feb, Mar 2023, Apr, May, 85-90% in June. No TA in 2023	PL
Showa Denko	Oita	C2, C3	695/425	OR 95-99% in Dec 2022 to May 2023, 85-90% in June, No TA in 2023	PL
Tosoh	Yokkaichi	C2, C3	527/270	OR 95-100% in Dec 2022 to May 2023, 85-90% in June, No TA in 2023	PL
ENEOS	Kawasaki	C2, C3, C4	404/260/70	OR85% in Dec 2022, Jan, Feb, Mar 2023, Apr, May, 85-90% in June, No TA in 2023	PL
ENEOS	Kawasaki	C2, C3, C4	515/300/105	OR85% in Dec 2022, Jan, Feb, Mar 2023, Apr, May, 85-90% in June, No TA in 2023	PL
Maruzen	Chiba	C2, C3, C4	550/230/90	OR 80% in Dec 2022 to May 2023, 90% in June, No TA in 2023	PL
Keiyo Ethylene	Chiba	C2, C3, C4	700/400/90	OR90% in Dec 2022, Jan-May 2023, 85-90% in June, No TA in 2023	PL
Mitsubishi Chem	Mizushima	C2, C3	495/320	OR 80-90% in Dec 2022, Jan-Mar 2023, 85% in Apr, May, 80% in June, No TA in 2023	PL
Mitsubishi Chem	Kashima	C2, C3	526/260	OR 80-90% in Dec 2022, Jan-May 2023, 85% in June, No TA in 2023	PL
Mitsui Chem	Ichihara	C2, C3	600/331	OR 70-75% in Dec 2022, Jan-May 2023, 85% in June, SD June 16-17, RS June 23-24	PL
Mitsui Chem	Sakai	C2, C3	500/280	OR 70-75% in Dec 2022, Jan-May 2023, 85-90% in June	PL
GS Caltex	Yeosu	C2, C3	750/500	65% in Dec 2022, 80% in Jan 2023, 80% in Feb-Apr, 95-100% in May, June, July	UN
Hanwha Total	Daesan	C2, C3, C4	1,376/987/155	75% in Dec 2022-Jan 2023, 75% in Feb-Mar, TA for Apr-Jun 2023>RS June 15-20>100% in July	UN, PL

Global Production Update

Company	Location	Product	Capacity	Timing	Status
KPIC	Ulsan	C2, C3	800/510	70% in Dec 2022, Jan-Feb 2023, 75-80% in Mar, Apr, 80% in May, June, 90% in July	UN
KPIC	Ulsan	C4	150	SU in late April 2023	NEW
LG Chem	Yeosu (1)	C2, C3	1,200/550	65% in Dec, 2022, Jan, Feb, Mar 2023, 90-95% in Apr, 90-95% in May, 85-90% in June, 75-80% in July	UN
LG Chem	Yeosu (2)	C2, C3	800/400	65% in Dec, 2022, Jan, Feb, Mar 2023, 90-95% in May	UN
LG Chem	Yeosu (2)	C2, C3	800/400	TA planned for Q2, but could be brought forward to mid-March> Apr 6 - May 20>>SD end 2023	PL
LG Chem	Daesan	C2, C3	1,300/680	50-55% in Dec-Jan, 61-62% in Feb, Mar 2023, 90-95% in Apr, 70% in May, 65% in June, 75-80% in July	UN
LG Chem	Daesan	C2, C3	1,300/680	SD June 10 for 10 days, tank cleaning, OR 70% after restart	PL
Lotte Chem	Daesan	C2, C3	1,100/550	80% in Dec 2022, Jan 2023, 82-83% in Feb>90% in March-Apr, 90% in May/June/July	UN
Lotte Chem	Yeosu	C2, C3	1,230/641	80% in Dec 2022, Jan 2023, 84% in Feb, Mar, Apr, 90% in May/June/July	UN
Hyundai/Lotte	Daesan	C2, C4	658, 150	80% in Apr to Nov, 70% in Dec-Jan 2023, Feb-Mar TA> SD until May>RS end June/early July	UN
Hyundai/Lotte	Daesan	C2, C4	658, 150	100% to reduce to 65% after stable restart in July	UN
SK Global	Ulsan	C2, C3	860/500	70% in Dec 2022, Jan 2023, 95% in Feb, Mar, Apr, May, June, 93% in July	UN
YNCC (1)	Yeosu	C2, C3	990/450	OR100% in Jan, Feb, Mar, TA from Apr 21 to June 13, OR75-80% in July	UN
YNCC (2)	Yeosu	C2, C3	915/458	OR100% in Jan, Feb, Mar, Apr, May, June, 75-80% in July	UN
YNCC (3)	Yeosu	C2, C3	500/240	TA Oct 1 to Nov 12>RS Feb 28, OR 100% in Apr, May, June, 75-80% in July	PL, UN
S-Oil	Onsan	C2, C3	187/710	March 2023, two months	PL
Sinochem Quanzhou	Quanzhou	C2	1000	90% in Apr, 85-90% in May/June	UN
Sinopec Zhenhai Refining	Zhenhai (2)	C2	1200	80-85% in Dec 2022, Jan, Feb, Mar 2023, 90-95% in Apr, 85-90% in May, June	UN
Sinopec Yangzi PC Cracker #1	Nanjing, China	C2	750	SD after fire Dec 7, 2022, 80-85% in Feb, Mar 2023, 90-95% in Apr, 85-90% in May, June	UN
Sinopec Yangzi PC Cracker #2	Nanjing, China	C2	250	80-85% in Dec 2022, Jan, Feb, Mar 2023, 90-95% in Apr, 85-90% in May, June	PL
Sinopec SECCO PC Cracker	Jinshan, China	C2, C4	1200, 180	80-85% in Dec 2022, Jan, Feb, Mar 2023, 90-95% in Apr, 85-90% in May, TA May 21-July 17	UN
Sinopec Beijing Yanshan	Beijing, China	C2	900	80-85% in Dec 2022, Jan, Feb, Mar 2023, 90-95% in Apr, 85-90% in May/June	UN
Sinopec Qilu PC Cracker	Zibo, China	C2	950	80-85% in Dec 2022, Jan, Feb, Mar 2023, 90-95% in Apr, 85-90% in May/June	UN
Sinopec Zhongyuan PC MTO	Puyang, China	C2	210	80-85% in Dec 2022, Jan, Feb, Mar 2023, 90-95% in Apr, 85-90% in May/June	UN
Sinopec Maoming #1, #2	Maoming, China	C2	450/850	80-85% in Dec 2022, Jan, Feb, Mar 2023, 90-95% in Apr, 85-90% in May/June	UN
Sinopec Shanghai	Shanghai	C2	750	80-85% in Dec 2022, Jan, Feb, Mar 2023, 90-95% in Apr, 85-90% in May/June	UN
Sinopec Zhongke Cracker	Zhangjiang, China	C2	800	80-85% in Dec 2022, Jan, Feb, Mar 2023, 90-95% in Apr, 85-90% in May/June	UN
Sinopec Gulei JV Cracker	Zhangzhou, China	C2	800	80-85% in Dec 2022, Jan, Feb, Mar 2023, 90-95% in Apr, 85-90% in May/June	UN
Sinopec Wuhan	Wuhan	C2	1100	80-85% in Dec 2022, Jan, Feb, Mar 2023, 90-95% in Apr, 85-90% in May/June	UN
Sinopec Sabic Tianjin	Tianjin	C2	1300	80-85% in Dec 2022, Jan, Feb, Mar 2023, 90-95% in Apr, 85-90% in May/June	UN
SP Chem	Jiangsu	C2	850	80-90% in Dec 2022, Jan 2023, 100% in Feb, Mar, 100% in Apr, 85-90% in May/June	UN
Shenghong	Lianyungang	C	1400	40% in Jan-Feb-Mar 2023, 90-95% in Apr, 85-90% in May/June	UN
PetroChina Jilin	Jilin	C2	850	80-90% in Dec 2022, Jan, Feb, Mar 2023, 80-90% in Apr, May, June	UN
PetroChina Daqing #1, #2	Daqing	C2	1250	80-90% in Dec 2022, Jan, Feb, Mar 2023, Apr, May, June	UN
PetroChina Lanzhou #1, #2	Lanzhou	C2	900	80-90% in Dec 2022, Jan, Feb, Mar 2023, Apr, May, June	UN
PetroChina Dushanzi	Dushanzi	C2	1250	80-90% in Dec 2022, Jan, Feb, Mar 2023, Apr, May, June	UN
PetroChina Liaoyang	Liaoyang	C2	250	80-90% in Dec 2022, Jan, Feb, Mar 2023, Apr, May	UN
Zhejiang Rongsheng (1)	Zhejiang	C2	1400	90-100% in Dec 2022, Jan, Feb, Mar 2023, Apr, May, TA May 8-H2 June	UN
Zhejiang Rongsheng (2)	Zhejiang	C2, C4	1400 / 250	90-100% in Dec 2022, Jan, Feb, Mar 2023, TA from mid-Feb, RS mid-March, 100% in Apr, May, 100% in June	UN
Zhejiang Rongsheng (3)	Zhejiang	C2	1400	90-100% in Dec 2022, Jan, Feb, Mar 2023, Apr, May, 100% in June	UN
Hengli	Dalian	C2	1500	95% in Apr, 100% in May/June	UN
Yantai Wanhua	Yantai	C2	1000	100% in Apr, May, June	UN
Formosa (1)	Mailiao	C2, C3, C4	700/350/109	90% in Dec 2022, Jan, Feb, Mar 2023, 80% in Apr, SD early May to Aug, RS planned July 25-30	UN
Formosa (2)	Mailiao	C2, C3, C4	1,030/515/162	SD until further notice, restarted early May, OR80% in May, June	UN
Formosa (3)	Mailiao	C2, C3, C4	1,200/600/180	90% in Dec 2022, Jan, Feb, Mar 2023, 80% in Apr, May, June	UN
CPC	Linyuan (4)	C2, C3, C4	380/193/58	70% in Dec 2022, Jan, Feb, Mar 2023, 100% in May, 80% in June, TA in Nov 2023 for 33 days	UN
CPC	Linyuan (3)	C2, C3	720/430	80% in Dec 2022, Jan 2023, 70% in Mar, Apr, May	UN
CPC	Linyuan (3)	C2, C3	720/430	SD Jan 20 to Feb 10, OR 95% after that, 70-80% Apr, May, SD May 22 for 24 days	UN
PCS #1, #2	Jurong Island	C2, C3	1,130/620	70% in Dec 2022 to June 2023	UN
Lotte Titan #1, #2	Pasir Gudang	C2, C3	667/420	80-85% in Dec 2022 to June 2023	UN
PTTCG	Map Ta Phut	C2	3215	80% in Dec 2022 to June 2023	UN
ROC	Map Ta Phut	C2, C3	800 / 400	RS early Feb after SD mid-Sep 2022	UN
Petronas	Kerteh	C2	1000	90% in Dec 2022 to June 2023	UN
Chandra Asri	Cilegon	C2, C3, C4	900/490/100	70% in Dec 2022, 80% in Jan, Feb, Mar 2023, no TA in 2023, 75% in Apr, May, June	UN, PL
PrefChem	Pengerang	C2	1200	50% in Apr, restart in H1 May?	UN
Bayport Polymers	Port Arthur, TX	C2	1000	Ongoing process upset started July 6	SD!
Nan Ya EG1	Point Comfort, Texas	MEG	300	Offline through mid-August for maintenance, economic reasons	PL
MEGlobal	Freeport, Texas	MEG	750	Full rates expected around July 9	RS
Indorama Ventures	Clear Lake, Texas	MEG	315	30-day planned maintenance in August 2023	TA
Lotte	Lake Charles, Louisiana	MEG	700	Offline through August	PL

TA = scheduled turnaround; SD! = unplanned shutdown; SU = startup; DB = debottlenecking; OR = operating rate

below the typical spread of \$250/mt for integrated producers and \$300-\$350/mt for non-integrated producers, S&P Global Commodity Insights data showed.

Platts Asian Ethylene Daily Rationale

The Platts Ethylene CFR Northeast Asia assessment was kept stable on the day at \$770/mt July 28, reflecting tradable indications from traders and buyers at \$770/mt.

The assessment was flat on the week.

The CFR Southeast Asia assessment was unchanged on the day at \$770/mt, amid few firm discussions.

The assessment was \$25/mt higher on the week.

In the weekly FOB Korea markets, prices were assessed stable at \$750/mt, as activity was limited.

Platts is part of S&P Global Commodity Insights.

(Daily price assessments are found on PCA550, weekly price assessments on PCA302)

Ethylene Glycol

European Glycols: Weak demand pressures diethylene glycols market

- Spot prices inch lower amid weak buying interest
- Anticipation for feedstock contract settlement for August

The European monoethylene and diethylene glycols markets saw limited activity in the week to July 28 amid continued weak demand.

But DEG prices were under far more pressure due to lackluster consumption, according to market sources. "On DEG, I agree, [the] demand still mostly dead", a distributor said.

As a result, spot prices inched lower in the week amid sluggish buying appetite. The European DEG spot price was assessed at Eur755/mt July 18, down Eur20/mt on the week, while the European MEG spot price was assessed at Eur455/mt, down Eur5/mt on the week.

Market sentiment remained weak, as participants began to focus on Q4 amid hopes of improvement in market fundamentals. Some participants anticipate market to tighten towards the end of August, as some European producers may undergo maintenance.

The higher cost of naphtha through July led participants in the European glycols market expecting the European ethylene contract price settlement for August. However, views were split on whether the upstream increase would influence the August industry-settled contract price of ethylene amid weak fundamentals.

The naphtha price was assessed at \$625.25/mt CIF NWE July 28, up \$97.25/mt from end-June.

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Platts European Glycols Weekly Rationale

Platts assessed the FCA monoethylene glycol spot price down Eur5/mt on the week at Eur455/mt July 28, in line with a trade heard done at Eur455/mt and corroboration of value at this level from a distributor, below a trader indication at Eur470/mt and an offer indication at Eur485/mt from the same trader, while moving in the direction of a distributor indication at Eur450/mt, considering market feedback of weak demand.

FD Northwest Europe MEG spot prices were assessed at Eur495/mt, also down Eur5/mt on the week, maintaining FD NWE spot pricing at a Eur40/mt premium over FCA ARA values.

CIF ARA MEG spot values were assessed stable on the week at Eur430/mt, pending fresh CIF indications and weighing declining FCA spot values against a trader indication placing CFR spot pricing at Eur435-440/mt.

FCA ARA diethylene glycol spot prices were assessed down Eur20/mt on the week at Eur755/mt, in line with a trade heard at Eur755/mt and below a trader indication at Eur770-780/mt, while considering feedback of weak demand.

FD Northwest Europe DEG spot prices were assessed down Eur20/mt on the week at Eur795/mt, maintaining FD NWE spot pricing at a Eur40/mt premium over FCA ARA values.

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Platts USGC MEG: Spot export MEG prices up 0.5 cent/lb on week

- Prices gain on expectations of tighter volumes
- Outages seen balancing long supply

US spot export monoethylene glycol prices inched up on the week July 28 amid expectations of tightening supply.

Platts assessed prices at 18.5 cents/lb FOB USG, up 0.5 cent/lb week on week, based on indications in a range of 18-19 cents/lb FOB.

Market participants had expected prices to rise with multiple current and planned shutdowns in the region, but some noted supply has been long and those outages could balance rather than notably tighten volume availability.

In company news, Dow Chemical declared force majeure on upstream ethylene oxide and other products at its Plaquemine, Louisiana, complex after an explosion and fire damaged one of two 137,000 mt/year EO plants at the site July 14. The company said its other operations at Plaquemine, which includes two crackers with a cumulative capacity of 1.54 million mt/year, were unaffected.

Market sources said the shutdown had not affected MEG prices, but was seen contributing to tightening supply.

The Plaquemine site has a 15,000 mt/year ethylene glycol unit, but Dow's US EO and MEG production is much more prominent at its Seadrift site in Port Lavaca, Texas, which has capacity to produce up to 430,000 mt/year of EO and 280,000 mt/year of MEG.

In Asia, Platts assessed MEG prices up \$5/mt on the week July 28 at \$485/mt CFR China and \$493/mt CFR Southeast Asia.

In Europe, CIF ARA MEG prices were assessed flat week on week July 28 at Eur430/mt.

Platts USGC MEG Weekly Rationale

Platts assessed US spot export MEG prices up 0.5 cent/lb on the week July 28 at 18.5 cents/lb FOB USG, based on pricing indications in a range of 18-19 cents/lb FOB.

Asia MEG: Rises on restocking demand

- Participants prefer small volume purchases

- Brent rises 51 cents/b on day

Asian monoethylene glycol prices increased on the day July 28 on higher energy futures and restocking demand, sources said.

The ICE September Brent crude oil futures was up 51 cents/b from the previous close at \$84.08/b at the Asian close July 28.

Domestic demand in China was stable, but end-users were afraid to do large purchases due to an uncertain economic outlook, sources said.

While China-based traders were willing to bear some risk to take in US inventory, Southeast Asian buyers were more cautious, preferring to conduct only back-to-back businesses, sources said.

In Southeast Asia, only end-users were willing to bear the long lead time for US-origin cargoes.

Platts Asian MEG Daily Rationale

Platts assessed Asia monoethylene glycol at \$485/mt CFR China July 28, up \$5/mt on the day, considering a discussion at the same level.

Platts assessed domestic Chinese MEG up Yuan 30/mt on the day at Yuan 4,140/mt ex-tank, considering a discussion at the same level from a producer.

Southeast Asia was assessed at \$493/mt CFR, up \$5/mt day on day, while the premium of \$8/mt over China was stable.

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Propylene

European propylene supply shows signs of tightening in Aug

- Downstream market recovery exerts upward price pressure
- Market sees difficulty in sourcing material for month ahead

European propylene supply showed signs of tightening in August as market participants pointed to difficulty in sourcing material on a spot basis in the seven days to July 28.

In addition, signs a demand recovery in downstream markets and stronger pricing in upstream feedstock markets exerted upward pricing pressure.

The August polymer grade propylene FD Northwest Europe spot differential was assessed at a 40% discount, 11 percentage points narrower on the week.

A buyer said it has been difficult to source propylene in the market for August, adding that its suppliers did not have the length to do spot deals during the month. The buyer said that producers seemed to be looking to balance their systems.

A trader echoed this sentiment of short supply in August and said propylene would be difficult to source on a spot basis in the month ahead.

In the week ended July 21, market players cited concerns surrounding potential logistical issues as Rhine water levels fell because of an ongoing heatwave across Europe, with a potential risk of production issues as site components react to higher temperatures.

However, a buyer said rain across the week in NWE had helped lift the Rhine's water levels and it didn't expect limitations over the next two weeks or more.

The buyer said the market had not yet so far seen any impact of the heatwave in Southern Europe, noting any low demand was mainly being driven by "cautious consumers" that were concerned about "high interest rates, high inflation, price increases for food and daily household items beyond inflation and general concerns about high energy costs."

A trader, meanwhile, pointed to European polypropylene prices showing signs of a recovery during the week as a reason for optimism, with many market participants saying that prices had found a bottom.

"PP prices are firming up a bit — and I am quietly confident that we will not see the market worsen," the trader said.

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Platts European Propylene Weekly Rationale

Platts assessed the FD NWE polymer grade propylene three-to 30-day forward spot price at Eur628.50/mt on July 28, up Eur108/mt on the day and up Eur128/mt on the week.

The August PGP FD NWE spot differential was assessed at a 40% discount, 10 percentage points narrower on the day and 1 percentage points narrower on the week, moving within an indicated range heard at 35%-50% from a trader and a consumer, and toward an indicated discount heard at 30% from a trader, pending corroboration of narrower discounts, amid feedback of difficulty attaining material for the month of August.

The July PGP FD NWE spot differential was assessed at a 40% discount to the industry-settled contract price, 10 percentage points narrower on the day and 11 percentage points narrower on the week, moving within an indicated range heard at 35%-50% from a trader and a consumer, pending corroboration of narrower discounts, amid limited July activity, with few days left in the month and tracking the change in the August differential.

The August PGP CIF NWE spot differential was assessed at a 40% discount, 10 percentage points narrower on the day and 11 percentage points narrower on the week, at the narrow end

of an indicated discount range heard at 40%-50% from a trader and toward an indicated discount at 30% from a buyer and a trader, pending further corroboration of narrower discounts, amid feedback of difficulty attaining material for the month of August.

The July PGP CIF NWE spot differential was assessed at a 40% discount to the industry-settled contract price, 10 percentage points narrower on the day and 11 percentage points narrower on the week, at the narrow end of an indicated range of 40% to 50% from a trader, pending corroboration of narrower discounts, amid limited July activity, with few days left in the month and tracking the change in the August differential.

The August chemical grade propylene FD NWE spot differential was assessed at a 52% discount, two percentage points narrower on the week, in line with trader corroboration at this level and moving in the direction of a second trader indication placing discounts at 40%-50%, pending corroboration of narrower discounts.

The July CGP FD NWE spot differential was assessed at a 52% discount to the industry-settled contract price, two percentage points narrower on the week, moving toward a trader indication at a 40%-50% discount, amid limited July activity, with few days left in the month and tracking the change in the August differential.

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US Propylene: PGP steady on day; propane continues to lift

- Spot PGP holds at 31.25 cents/lb
- Propane rises to 2-month high

US Gulf Coast spot polymer-grade propylene held firm on the day July 27, for front-month and forward-month.

Platts assessed July spot and forward-month August PGP flat on the day at 31.25 cents/lb FD USG and 31.375 cents/lb, respectively, amid a quiet end to the week.

Upstream, Enterprise propane rose for the fourth consecutive day, increasing 1.75 cents, or 2.55%, to 70.25 cents/gal on July 28.

The propylene feedstock last rose above its current price on May 9 at 69.75 cents/gal.

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Platts US Propylene Daily Rationale

Platts assessed July spot polymer-grade propylene at 31.25 cents/lb FD USG July 28, flat on the day.

The assessment came within a July bid/offer heard at 30.5-32.25 cents/lb.

Forward-month August PGP was assessed at 31.375 cents/lb FD USG, also flat on the day.

The assessment kept the previous market structure.

US prompt refinery-grade propylene was assessed at 10 cents/lb FD USG, flat on the day, with no fresh bids, offers or trades heard.

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Asian Propylene: Rises \$5/mt on stronger crude

- Shandong propylene rises Yuan 95/mt
- LCY Chemical restarts Kaohsiung PP line

The CFR China propylene marker continued to receive support July 28 from stronger crude oil prices.

Industry sources said that the recent gain in upstream prices was pushing up the price for domestic and propylene import prices.

The September ICE Brent crude oil futures contract was up \$0.51/b from the previous Asian close at \$84.08/b at 0830 GMT, and this lent firmer support for the propylene market.

The Shandong domestic price was assessed up Yuan 50/mt on the day at Yuan 6,530/mt ex-works and this came in at \$802/mt after taking into account taxes and the exchange rate.

Selling indications were heard at \$820-\$830/mt CFR China, while buying indications were heard around \$790/mt CFR China.

In plant news, Taiwan's LCY Chemical restarted its 250,000 mt/year Kaohsiung polypropylene line July 28 after it was shut July 20 due to a technical issue, a company source said.

The shutdown of the 250,000 mt/year capacity line was earlier scheduled July 24 due to poor demand for polypropylene, but was prepone to July 20 due to a technical issue, S&P Global Commodity Insights reported earlier.

According to sources, the next shutdown for this line will be in August.

The company had restarted its 150,000 mt/year PP plant at Kaohsiung July 21 as scheduled earlier, after it was shut in early July amid weak downstream demand.

LCY Chemical imports propylene feedstock but also buys on a term basis from CPC, the source added.

Platts assessed CFR China propylene at \$795/mt July 28, up \$5/mt on the day, while the Asian polypropylene-propylene spread stood at \$35/mt, well below the typical breakeven spread of \$150/mt.

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Platts Asian Propylene Daily Rationale

Platts assessed propylene CFR China up \$5/mt on the day at \$795/mt July 28, above buying indication heard at \$790/mt CFR China by a buyer, lower than a selling indication heard at \$820-\$830/mt CFR China from two sellers

Platts assessed propylene FOB Korea up \$5/mt on the day at \$745/mt, below a selling indication heard at \$780-\$800/mt by two South Korean producers, above a buying indication heard at \$740/mt from one buyer.

East China domestic price was assessed unchanged on the day at Yuan 6,475/mt ex-works based on price discussion heard at the same level. Shandong's domestic price was assessed up Yuan 95/mt at Yuan 6,625/mt, based on price discussion heard at the same level.

Platts assessed CFR Taiwan up \$15/mt on the week at \$795/mt, above buying tradeable indications heard at \$790/mt from buyers.

FOB Japan prices were assessed up \$10/mt on the week at \$780/mt, on a stronger adjacent market, above a buying indication heard at \$770/mt FOB Japan by an end-user.

The CFR Southeast Asia marker was assessed up \$20/mt on the week at \$775/mt on a stronger adjacent market in line with tradable indication heard in the range of \$770-\$800/mt CFR SEA.

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Butadiene

US Butadiene: Spot prices sees small increase on week

- Spot prices at 1-2 cents/lb discount to Aug CP
- Aug CP nominations unchanged on month

US spot butadiene pricing was higher in the seven days to July 28 following an indication at a 1-2 cents/lb discount to August's contract price of 26 cents/lb, amid talk of slightly tighter spot material supply than prior weeks.

Platts assessed US spot butadiene at 24 cents/lb, or \$529/mt, CIF USG.

"Spot is closer to the USCP than it has been in the past, with only minor discounts if any, as spot has gotten tight in the last week or two," a trader said.

On the contract side, all nominations for August were heard at 26 cents/lb, a rollover compared with July, according to market participants. Settlement for August contract prices was expected to be confirmed at 26 cents/lb.

All four producers — ExxonMobil, Shell, TPC Group and LyondellBasell — were heard to have nominated and settled at 26 cents/lb, unchanged from July's contract price. July was down 11 cents/lb from June's contract price, according to market feedback.

The August contract price, if confirmed, continues to be the lowest since October 2020, when Platts assessed it at 31.5 cents/lb, according to S&P Global Commodity Insights data.

Contract prices have fallen more than 70% since July 2022, when they were assessed at 87.25 cents/lb, the highest in 2022.

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Platts US Butadiene Weekly Rationale

Platts assessed US spot butadiene at 24 cents/lb CIF USG on July 28, up 3 cents/lb on the week. The assessment was based on an indication at a 1-2 cents/lb discount to August's contract price of 26 cents/lb.

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Asian Butadiene: Rising naphtha, limited downstream uptick keep market cautious

- Selling indications bullish on increasing feedstock
- Buying indications unchanged on limited derivative improvements

Sentiment was mixed in the Asian butadiene markets in the week ended July 28.

Selling indications were high on the back of rising naphtha prices. Some selling indications were heard at \$750-\$800/mt CFR NE Asia in the week.

Suppliers cited concerns on narrow butadiene-naphtha spreads, with several saying margins were unhealthy and could result in cracker operating rate cuts if margins do not improve.

Buying indications were heard at \$700-\$730/mt CFR NE Asia, with several buyers citing sluggish downstream demand.

Demand for derivatives such as BDO, SBR, and BR saw limited uptick in the week, keeping most butadiene buyers cautious. Futures prices rose, but the near-term outlook remained uncertain as newly announced stimulus packages by the Chinese government had yet to result in clear improvements in the finished goods sectors, market sources said. With several buyers already covered for August butadiene, buying interest was limited. Most were still on a wait-and-watch mode for September cargoes.

In the Chinese domestic markets, discussion levels widened in the week. Early-week discussions were heard at Yuan 6,900-7,200/mt ex-tank, which widened to Yuan 6,800-7,300/mt ex-tank by the late-week.

Upstream, the eighth consecutive rise in naphtha prices weighed on selling sentiment, with several sellers refraining from offering amid feedstock volatility.

The benchmark C+F Japan naphtha marker was assessed up by \$12.50/mt at \$638.75/mt on July 28 Asian close.

The butadiene-naphtha spread was calculated at \$91.25/mt, below the typical spread of \$300/mt.

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Platts Asian Butadiene Daily Rationale

Platts assessed the CFR China butadiene \$10/mt higher on the day at \$730/mt July 28, reflecting a tradable indication from a producer and traders at \$730/mt.

CFR Northeast Asia was \$10/mt higher on the day at \$680/mt, tracking increases in the CFR China markets as there were limited discussions.

The FOB Korea assessment was \$10/mt higher on the day at \$680/mt, while the FOB China assessment rose \$10/mt to \$670/mt in view of increases in adjacent markets on limited activity.

In the Chinese domestic markets, prices were kept stable at Yuan 6,900/mt, reflecting discussions from a producer at Yuan 6,800-7,300/mt.

In the weekly markets, CFR Taiwan prices were flat at \$700/mt, reflecting tradable indications from buyers at \$700/mt.

CFR Southeast Asia prices were \$10/mt higher at \$640/mt, amid increases in adjacent markets on limited talks.

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C4 Olefins

European C4 Olefins: Butadiene output margins turn negative on weaker Aug monthly contract

- Aug butadiene MCP agreed down Eur150/mt from July
- Growing export demand to Asia

The European butadiene spot market was firmer in the week to June 28, supported by an uptick in export interest destined for Far East Asia.

Platts assessed the FOB Rotterdam butadiene spot price at \$410/mt, up \$110/mt on the week.

Traders were active in the market placing bids for butadiene volumes to export to Far East Asia. Export interest included loading between within the second half of August and the first half of September, supported by lower supply stemming from plant maintenances and a small uptick in derivative demand seen during the week.

However, participants said that it was unclear if demand in Asia would be sustained into the fourth quarter of the year. Platts assessed the CFR China butadiene price \$10/mt higher on the week at \$730/mt.

Meanwhile, in the European domestic market, the industry-settled contract price for August was agreed by participants at Eur660/mt, down Eur150/mt from the July level. The steep month-and-month decrease was called on by buyers to bring European CP closer to the US price as the spread had been above \$300/mt, allowing American derivative producers a significant cost advantage. The decrease also narrowed the spread between the contract price and the spot price in Europe, which rose as wide as Eur360/mt in mid-July.

However, producers said that butadiene production margins at current prices were negative and operating rates could be reduced further.

“Margins are negative, the only thing which would help demand is the price in Asia going up,” a producer said.

European butadiene consumption, meanwhile, remained depressed, with demand from key segments such as the SBR market impacted by the summer holiday period in Europe. Tire producers — the largest consumers of SBR — shut their plants in the final week of July for extended maintenance periods expected to last between two to three weeks amid a lack of demand.

Upstream, the crude C4 market saw spot activity during the week with a 1,000-mt trade heard done at a factor to naphtha of 0.9. The raffinate-1 market saw prices jump on strong demand for fuels.

Platts European C4 Olefins Weekly Rationale

Platts assessed the FOB Rotterdam butadiene spot price at \$410/mt July 28, up \$100/mt on the day and \$110/mt on the week, above a bid heard at \$400/mt and toward a second bid heard at \$430/mt, pending corroboration at higher values. The assessment was above two consumers' indications heard at below \$400/mt and at around \$300/mt, considering feedback of an uptick in export interest to Asia.

The FD NWE butadiene spot price was assessed up Eur30/mt on the day and on the week at Eur500/mt, above a consumer's indication heard at below Eur500/mt and toward a producer's indication heard close to the price of CIF NWE naphtha, considering the feedback of weak domestic demand and pending corroboration at higher values.

The crude C4 factor to naphtha was assessed stable on the week at 0.9, in line with a 1,000 mt trade heard at the same level.

The raffinate-1 factor to naphtha was assessed up 0.02 on the week at 1.40, taking direction from a 1,500 mt trade heard at the same level.

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Synthetic Rubber

European SBR: Prices down on weak demand, feedstock costs dip

- Demand slows amid summer holidays
- Upstream prices decline

The European styrene-butadiene rubber market weakened in the seven days to July 28 as supply outweighed demand.

Platts assessed FD Northwest Europe ESBR 1500-1502 dry grade spot prices at Eur1,400/mt, down Eur30/mt on the week.

Availability was ample with several offers heard in the market from Asian, Russian and European origins. Russian material was most competitively priced, although market sources said that orders had long lead times and additional logistical challenges.

Demand was weak in the final week of July with low buying interest for spot cargoes. Some tire producers, responsible for the largest portion of SBR demand, had shut plants for maintenance amid summer holidays. Some of the participants said the shutdowns had been extended to due to weak market fundamentals.

“Customers are on holiday; they have shut down their plants. I have very low number of new orders, a lot of people have closed their production for maintenance for two or three weeks,” a seller said.

SBR producer welcomed the settlement in the upstream butadiene industry settled contract price for August that was agreed down Eur150/mt from July at Eur660/mt. The reduction brought European butadiene prices closer to the US contract price, although consumers said that they needed prices to decrease further to keep domestic synthetic rubber production globally competitive.

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Platts European SBR Weekly Rationale

Platts assessed FD Northwest Europe ESBR 1500-1502 dry grade spot prices at Eur1,400/mt on July 28, down Eur30/mt on the week, moving toward a trader’s indication heard at Eur1,200/mt for Russian-origin material and Eur1,350/mt for Eastern European-origin material and below an offer range heard at Eur1,450-Eur1,490/mt, considering feedback of weak demand and lower upstream butadiene costs.

ESBR 1723-1783 oil grades were assessed down Eur30/mt on the week at Eur1,300/mt, in line with a trader’s indication of a

Eur100/mt discount to dry grade spot prices.

SSBR spot prices were assessed down Eur30/mt on the week at Eur1,855/mt, mirroring the decrease in ESBR grades.

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Asian SBR: Prices stable to soft

- Upsides loom on higher feedstock costs
- CFR China butadiene up \$10/mt on week at \$730/mt

The Asian styrene-butadiene-rubber prices were stable to soft in the week ended July 28, though upsides loom as market participant anticipate higher feedstock butadiene prices will increase costs for SBR producers and pressure SBR prices upwards.

Platts assessed the CFR Northeast Asia SBR price steady week on week at \$1,420/mt July 28, and CFR Southeast Asia SBR price down \$25/mt over the same period at \$1,475/mt.

The near-term outlook for the Asian SBR market was mixed, being thin in Northeast Asia, but Southeast Asia and South Asia showed fledging signs of a recovery.

The tire replacement demand in South Asia is expected to grow in the third quarter after the end of the monsoon season and the onset of Navratri and Diwali festivals, sources said.

In Southeast Asia, demand appeared to be picking up with firm counterbids at \$1,450/mt CFR. However, buying interest in the Northeast Asian market was thin, though higher feedstock butadiene prices could spur end-users to secure spot cargoes before prices get even higher, sources said.

Platts assessed the CFR China butadiene price up \$10/mt week on week at \$730/mt July 28.

The price spread between SBR and butadiene narrowed \$10/mt week on week to \$690/mt July 28.

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Platts Asian SBR Weekly Rationale

Platts-assessed non-oil extended emulsion styrene-butadiene-rubber, or ESBR 1502, stable week on week at \$1,420/mt CFR Northeast Asia July 28 under an offer at \$1,450/mt CFR NE Asia.

Platts assessed CFR Southeast Asia ESBR 1502 down \$25/mt week on week at \$1,475/mt, under offers at \$1,480-\$1,550/mt and above a bid at \$1,450/mt CFR SE Asia received by a producer.

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