

# OLEFINSCAN

Volume 33 / Issue 31 / August 3, 2018

## ETHYLENE ASSESSMENTS

### Europe

	Monday	Tuesday	Wednesday	Thursday	Friday	Average
FD NWE*	1037.00-1042.00	1039.00-1044.00	1030.50-1035.50	1030.50-1035.50	1064.50-1069.50	1040.30-1045.30
FD NWE AUG*	-	-	-	-	1064.50-1069.50	1037.30-1042.30
FD NWE SEP*	-	-	-	-	1068.50-1073.50	1042.10-1047.10
CIF NWE**	1215.00-1220.00	1216.50-1221.50	1202.50-1207.50	1197.50-1202.50	1235.50-1240.50	1213.40-1218.40
CIF NWE AUG**	-	-	-	-	1235.00-1240.00	1209.70-1214.70
CIF NWE SEP**	-	-	-	-	1239.50-1244.50	1215.30-1220.30
CIF MED**	-	-	-	-	1235.50-1240.50	-
CIF MED AUG**	-	-	-	-	1235.00-1240.00	-
CIF MED SEP**	-	-	-	-	1239.50-1244.50	-

Monthly Contract Price (Aug)\*: 1135.00-1135.00 FD NWE

Ethylene Contract Price Indicator (Eur/mt)	
SEP	1139.00
Rolling monthly average SEP	1138.167

■ The Platts ethylene indicator for September stood at Eur1,139/mt FD NWE Friday.  
 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):	630.52	543.60
Platts Cracker Margin (contract):	664.22	571.22

\* Eur/mt, \*\*\$/mt

### US (¢/lb)

	Monday	Tuesday	Wednesday	Thursday	Friday	Average
FD USG M1 AUG	14.250-14.750	14.250-14.750	14.125-14.625	14.125-14.625	14.750-15.250	14.300-14.800
FD USG M2 SEP	15.000-15.500	15.000-15.500	14.625-15.125	14.625-15.125	15.250-15.750	14.900-15.400

Net Contract Price (August): NA-NA Delivered

### Asia (\$/mt)

	Monday	Tuesday	Wednesday	Thursday	Friday	Average
FOB Korea	-	-	-	-	1339-1341	-
CFR SE Asia	1234-1236	1234-1236	1234-1236	1234-1236	1234-1236	1234.00-1236.00
CFR NE Asia	1349-1351	1349-1351	1349-1351	1349-1351	1359-1361	1351.00-1353.00

Asian ethylene spot assessments reflect LC 0-30 days.

## PROPYLENE ASSESSMENTS

### Europe (Eur/mt)

Poly Grade	Monday	Tuesday	Wednesday	Thursday	Friday	Average
FD NWE	1073.00-1078.00	1075.00-1080.00	1079.00-1084.00	1079.00-1084.00	1079.50-1084.50	1077.10-1082.10
FD NWE AUG	-	-	-	-	1079.00-1084.00	1088.00-1093.00
FD NWE SEP	-	-	-	-	1084.00-1089.00	1079.30-1084.30
CIF NWE	1073.00-1078.00	1075.00-1080.00	1079.00-1084.00	1079.00-1084.00	1079.50-1084.50	1077.10-1082.10
CIF NWE AUG	-	-	-	-	1079.00-1084.00	1088.00-1093.00
CIF NWE SEP	-	-	-	-	1084.00-1089.00	1079.30-1084.30
Chem Grade					Spot Friday	Average
FD NWE	-	-	-	-	1059.00-1063.00	-
FD NWE AUG	-	-	-	-	1059.00-1063.00	-
FD NWE SEP	-	-	-	-	1063.50-1067.50	-
CIF NWE	-	-	-	-	1029.00-1033.00	-
CIF NWE AUG	-	-	-	-	1029.00-1033.00	-
CIF NWE SEP	-	-	-	-	1033.50-1037.50	-

Poly Grade Monthly Contract Price (Aug): 1040-1040

Propylene Contract Price Indicator (Eur/mt)	
SEP	1044.50
Rolling monthly average SEP	1043.333

■ Platts propylene indicator for September's contract price was Eur1044.5/mt Friday.  
 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

### Europe

- Spot discount to CP assessed at 6%
- Spot assessed at Eur1,067/mt FD NWE

S&P Global Platts assessed the 3-30 day forward FD NWE ethylene spot price at Eur1,067/mt Friday, up Eur29 on the week. The discount to the monthly contract price was assessed at 6%, narrower from the last week's 9%. The week saw more activity in the market than last week. A 3,000 mt cargo for August delivery was heard sold Friday at a 6% discount to contract on a CIF Mediterranean basis. Another cargo, with a volume reported to be much lower than 1,000 mt, was heard sold at a 5% discount to contract but the trader who reported the deal said the volume was so small that it was not representative of the market. The trader pegged the spot market at a 8% discount to the contract market. During the week, the product had been heard pegged at a 9% discount to contract. The ethylene contract for August settled at a rollover from July at Eur1,135/mt FD NWE. Supply was expected to turn tighter in the coming weeks as more crackers undergo maintenance. BP will conduct month-long maintenance works at its Gelsenkirchen cracker in Germany starting mid-August. Czech petrochemicals producer Unipetrol will shut its Litvinov-based steam cracker for a four-week maintenance during the third quarter, the company said in a statement last Friday. The cracker has a capacity to produce 544,000 mt/year of ethylene, or about 2% of European capacity. Indications were mixed from downstream products. Downstream monoethylene glycol firmed Eur10 week on week Friday to be assessed at Eur910/mt FD NWE. Downstream polyethylene was seen flat to bearish this week.

### Rationale

S&P Global Platts assessed the 3-30 day forward FD NWE ethylene spot price discount to contract at 6% Friday, narrowing from 9% a week ago and from Thursday. The assessment was made within the 5-9% range

**PROPYLENE ASSESSMENTS (continued)****US (¢/lb)**

Divd USG	Monday	Tuesday	Wednesday	Thursday	Friday	Average
Poly Grade M1 AUG	60.250-60.750	60.750-61.250	60.250-60.750	60.000-60.500	60.000-60.500	60.250-60.750
Poly Grade M2 SEP	60.000-60.500	60.750-61.250	60.250-60.750	60.000-60.500	60.000-60.500	60.200-60.700
Ref Grade	44.250-44.750	44.250-44.750	44.000-44.500	44.000-44.500	42.875-43.375	43.875-44.375

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

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

**Asia (\$/mt)**

	Monday	Tuesday	Wednesday	Thursday	Friday	Average
FOB Korea	1069-1071	1069-1071	1069-1071	1069-1071	1069-1071	1069.00-1071.00
CFR Taiwan	-	-	-	-	1089-1091	-
CFR SE Asia	-	-	-	-	999-1001	-
FOB Japan	-	-	-	-	1049-1051	-
CFR China	1089-1091	1089-1091	1089-1091	1094-1096	1099-1101	1092.00-1094.00

Asian ethylene spot assessments reflect LC 0-30 days.

**ETHYLENE GLYCOL ASSESSMENTS****Europe**

	Spot Friday
MEG FCA NWE T2 (Eur/mt)	908-912
MEG FD NWE T2 (Eur/mt)	938-942
MEG CIF NWE T2 (Eur/mt)	868-872
MEG CIF NWE T2 (\$/mt)	1007.00-1011.00

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

DEG FCA NWE T2 (Eur/mt)	828.00-832.00
DEG FD NWE T2 (Eur/mt)	868.00-872.00

**US (¢/lb)**

	Spot Friday
FOB USG A/F*	40.50-41.50

Fiber Grade Monthly Contract Price (Aug ): 45.83-46.33

**Asia (\$/mt)**

	Spot Friday
CFR SE Asia	959-961

**China assessments**

	Monday	Tuesday	Wednesday	Thursday	Friday	Average
CFR China	950-952	931-933	931-933	934-936	929-931	935.00-937.00
Domestic	7780-7800	7700-7720	7690-7710	7780-7800	7900-7920	7770.00-7790.00

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

MEG CP Nomination (AUG) – CFR Asia: MEGlobal: 1120 Sabic: 1080 Shell: NA

\*A/F denotes anti-freeze grade. Asian ethylene glycol assessments are basis L/C 90 days.

**BUTADIENE ASSESSMENTS****Europe**

	Spot Friday	Weekly Average
FD NWE (Eur/mt)	1248.00-1252.00	1248.00-1252.00
FOB Rdam (\$/mt)	1448.00-1452.00	1448.00-1452.00

Butadiene Monthly Contract FD NWE AUG: 1125-1125 (Eur/mt)

**US (¢/lb)**

	Spot Friday
CIF USG	73.50-74.50

Monthly Contract Price (Aug ): 70.00-75.00

**Asia (\$/mt)**

	Spot Friday	Weekly Average
FOB Korea	1699-1701	1677.00-1679.00
CFR Taiwan	1699-1701	
CFR SE Asia	1654-1656	
CFR China	1659-1661	1635.00-1637.00

heard. As a result of the narrowing of the discount, the outright price assessment rose Eur29 week on week to be assessed at Eur1,067/mt FD NWE.

**Americas**

- Buyer interest buoys spike
- July CP settles up 1.25 cents

US ethylene spot prices firmed on Friday and ended higher on the week as well. US ethylene for August prompt-month delivery was assessed Friday at 14.75-15.25 cents/lb FD USG, up 1 cent on the week and up 0.625 cents on the day. August ethylene traded during the day at 15.125 cents/lb MtB-Nova and at 15 cents/lb MtB-Nova respectively. August also traded at 17 cents/lb for Choctaw pipeline delivery. Meanwhile, forward-month September ethylene was assessed at 15.25-15.75 cents/lb FD USG, up 1.25 cents on the week and also up 0.625 cents on the day. The forward-month assessment was based on market discussion of a 0.50 cent contango with the prompt month. Sources attributed the increase to stronger buyer interest on the day. The increase also comes a week after ExxonMobil said it started up its new 1.5 million mt/year steam cracker near Baytown, Texas, which was expected to depress pricing due to added production for the market. In feedstocks, prompt-month purity ethane gained 0.5 cent to 38.75 cents/gal Friday, up 6 cents on the week. In the crude market, NYMEX prompt-month WTI futures closed at \$68.49/b, down 47 cents on the day, and down 20 cents on the week. In ethylene contracts, the US July ethylene contract price was accepted by a majority of the market at a settlement of 27.75 cents/lb, up 1.25 cents from the June contract prices, market sources said. The settlement was also in line with market expectations, which sources said were targeting a 1-2 cents increase from June. The increase also follows higher spot prices over July, which have gone from 12.875 cents/lb FD USG at the start July and peaked at 15.25 cents/lb FD USG on 20 July, according to S&P Global Platts data. In Latin America, state-owned Pemex resumed production via its two crackers and associated polyethylene lines at Cangrejera following a mid-week electrical outage, a company source said Friday. The power loss

occurred late Wednesday after an electrical surge at the plant, prompting all petrochemical production to shut down on Thursday. The plant's two crackers and two active PE units were back online by early Friday morning, the source said. In Brazil, the Navigator Saturn was heard to be on a Braskem charter for the delivery of butadiene and ethylene to Asia, according to shipper sources. Braskem did not respond to a request for comment.

### Rationale

US ethylene for August prompt-month delivery was assessed Friday at 14.75-15.25 cents/lb FD USG, up 1 cent on the week and up 0.625 cents on the day. The assessment was based on an August deal at 15 cents/lb MtB-Nova. Forward-month September ethylene was assessed at 15.25-15.75 cents/lb FD USG, up 1.25 cents on the week and also up 0.625 cents on the day. The forward-month assessment was based on market discussion of a 0.50 cent contango with the prompt month.

### NWE CRUDE C4 / RAFFINATE 1 ASSESSMENTS (\$/mt)

Spot CIF NWE Crude C4	852.20-854.20
Spot CIF NWE Raffinate 1	827.04-828.04
Crude C4 factor	1.33
Raffinate 1 factor	1.29

### PLATTS SBR WEEKLY PRICES

#### NWE SBR – August 3

	FD NWE (\$/mt)	Change on week	FOB NWE (\$/mt)	Change on week
ESBR 1500	1448.00-1452.00	-30.00	1633.00-1637.00	-43.00
ESBR 1502	1448.00-1452.00	-30.00	1633.00-1637.00	-43.00
ESBR 1723	1348.00-1352.00	-30.00	1517.00-1521.00	-43.00
ESBR 1783	1348.00-1352.00	-30.00	1517.00-1521.00	-43.00
SSBR	1713.00-1717.00	-30.00	1941.00-1945.00	-44.00

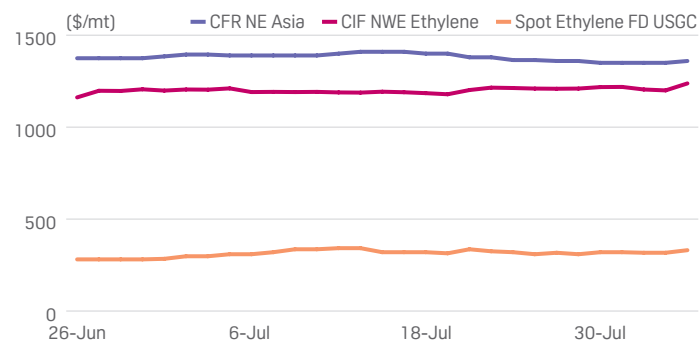
#### Asian SBR – August 3

	CFR NE Asia (\$/mt)	Change on week	CFR SE Asia (\$/mt)	Change on week
ESBR 1502	1659.00-1661.00	0.00	1759.00-1761.00	0.00

### LAST SETTLED US OLEFINS CONTRACTS (cts/lb)

Ethylene			Propylene		
Net	27.75	JULY	PGP	59.00	JULY
			CGP	57.50	JULY

### GLOBAL ETHYLENE PRICES



More charts at [pmc.platts.com](http://pmc.platts.com)

## Asia

- NEA marker rises on firmer sentiment for Sep
- Bullish SM pushes up spot ethylene demand

From a week earlier, CFR Northeast Asia ethylene was stable week on week Friday, while the CFR Southeast Asia marker fell \$10/mt during the same period. Some spot deepsea cargoes were available from the Middle East. A 6,500 mt spot cargo from Saudi Arabia was heard traded for August 13-14 loading to Asia. Another 9,000 mt spot cargo was offered for August 20-21 loading as well from Saudi Arabia. And ex-Taiwan cargo was also reported to be available for end-August/early-September loading. Market sources said that sentiment in the Asian ethylene market was bearish this week for prompt August cargoes due to ample supply, especially from Southeast Asia. Ex-SEA spot cargoes are available amid negative polyethylene production margins. On Friday, the price spread between PE and ethylene was calculated at minus \$55/mt, according to S&P Global Platts data. This compares with a typical breakeven spread of plus \$150/mt. However, for September, market sentiment was firmer as spot supplies from SEA are expected to be limited due to the steam cracker turnaround season. Spot ethylene demand is high, especially in China, in line with a bullish downstream styrene monomer market. On Friday, CFR China SM was assessed up \$10/mt day on day to be assessed at \$1,475/mt, the highest level since June 12, Platts data showed. The SM margin was calculated at \$221/mt Friday, the highest level since June 14, according to Platts data.

### Rationale

CFR Northeast Asia ethylene rose \$10/mt day on day to be assessed at \$1,360/mt on Friday. The H2 August market level was heard around \$1,350/mt CFR NEA, while a buying idea for September was heard at \$1,370/mt CFR NEA. S&P Global Platts assesses spot ethylene 20-40 days forward, or from August 22 to September 11. CFR Southeast Asia ethylene was assessed unchanged day on day at \$1,235/mt Friday, with traders putting the tradable level at \$1,200-\$1,250/mt CFR SEA.

## ETHYLENE GLYCOL

### Europe

- August contract un-settled
- DEG indications heard lower

European monoethylene glycol spot prices firmed Eur10 week on week to be assessed at Eur910/mt FCA NWE and Eur940/mt FD NWE on tighter supplies. Small dips were registered for the MEG CIF NWE assessment and for di-ethylene glycol prices on lower indications heard. The market continued to await an initial contract settlement for August besides full settlement for July as several trade sources remained away from the market. The feedstock ethylene contract for August settled at a rollover from July at Eur1,135/mt FD NWE earlier this week, providing a flat signal to MEG. About five European ethylene oxide/MEG plants are expected to undergo maintenance in September-October, which is expected to tighten the market. Those planning maintenance works include some of the largest producers in Europe. Market sources confirmed these maintenance works were scheduled

but the companies concerned have not confirmed them so far. A producer and a trader converged on their price ideas, saying MEG spot prices had risen to Eur910-920/mt FCA NWE and Eur940-950 FD NWE. Slightly lower indications than last week's levels were heard for DEG, and the product was heard pegged in a Eur820-830 FCA NWE range. Trade sources said the market was well supplied, but one trader said the product should technically be priced higher than MEG considering the high manufacturing cost.

### Rationale

S&P Global Platts assessed the FCA NWE MEG spot price up Eur10 week on week at Eur910/mt. The assessment was made at the lower end of Eur910-920/mt range heard from a producer and a trader. The FD NWE spot price for MEG was assessed at Eur940/mt, also up Eur10. The assessment was made to reflect the lower end of Eur30-40 spread indications over FCA prices heard and stood at the lower end of Eur940-950/mt range pegged. The CIF NWE spot price fell Eur10 week on week to be assessed at Eur870/mt FD NWE, at the level where pegs from a producer and a trader converged. The DEG spot price slipped Eur10 on the week to be assessed at Eur830/mt FCA NWE at the higher end of Eur820-830/mt range pegged by a producer and a trader. The FD NWE assessment fell Eur5 to Eur870/mt to reflect the most representative Eur40 premium over FCA NWE prices heard.

### GLOBAL PRODUCTION UPDATE

Company	Location	Capacity	Timing	Status
ExxonMobil #3	Baytown, TX	1,500,000	July 26, 2018	New Capacity Online
Enterprise PDH	Mont Belvieu, TX	750,000	July 31, 2018	RS after SD July 24
Enterprise PDH	Mont Belvieu, TX	750,000	July 19, 2018	RS after SD on July 10, 2018
CP Chem	Port Arthur, TX	850,000	Late June-July	TA
Lotte/Westlake	Lake Charles, LA	1,200,000	1H 2019	New capacity
Formosa Plastics	Point Comfort, TX	1,500,000	2H 2018	New capacity
Shintech	Plaquemine, LA	500,000	Q3 2018	New capacity
Dow Chemical	Bahia Blanca, Argentina	765,000	Q2-Q3 2018	TA
CP Chem #22	Old Ocean, TX	254,000	mid-May	Unit idled
Eastman #3A	Longview, TX	140,000	Early April-July	TA
Sasol	Lake Charles, LA	1,540,000	2H 2018	New capacity
FHR PDH	Houston, TX	545,000	June 11, 2018	TA
Indorama	Lake Charles, LA	440,000	3Q 2018	Restart after acquisition
Pemex Pajaritos	Coatzacoalcos	184,000	Oct. 27, 2016	SD! PMV explosion
Unipetrol	Litvinov	544,000	Q3 2018, 4 weeks	TA
Naphthachimie	Lavera	740,000	September, for 6-8 weeks	TA
BP	Gelsenkirchen	484,000	2019	TA
BP	Gelsenkirchen	562,000	Spring 2018	TA
PKN Orlen	Plock	700,000	Spring 2018	TA
Total	Confreville	525,000	Q2-Q3 2018	TA
Repsol	Sines	410,000	June 2018	TA
Shell	Wesseling	260,000	Imminent	RS
Repsol	Sines	410,000	March 23, 2018	SD!, through May
JG Summit	Batangas	320,000	2019	TA, DB
ExxonMobil	Singapore	900,000/470,000	September 2018	TA, 45 days
Formosa	Mailiao, Taiwan	700,000	Jun-Jul	TA, 40 days
PCS	Singapore	635,000	July 12, 2018	TA 40-45 days
JSR	Kashima	120,000	May 6-7, 2018	TA through July 10, 2018
Keiyo	Chiba	700,000/400,000	May 13-July 3	TA
Mitsubishi	Kashima	526,000/260,000	May 9-July 3	TA
Mitsui Chemical	Sakai	500,000/280,000	Mid-June to end-July	TA
Lotte	Yeosu	1,000,000/500,000	End Sept	TA
JXTG	Kawasaki	515,000/300,000	Mid-Aug	TA, 30 days
LG Chem	Yeosu	1,000,000	November	TA
LG Chem	Daesan	900,000/450,000	Q2 2019	TA

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

## Americas

- Market noting tightness to open month
- Domestic contracts mostly level

US spot monoethylene glycol was assessed Friday at 40.5-41.5 cents/lb (\$893-\$915/mt) FOB USG, down a half cent week on week, despite talk of tightness and expectations that pricing could firm. Spot barge cargoes were talked in the 40-42 cents/lb range, though volumes were limited, with one trader source noting that anyone who had excess volumes may be able to sell at a premium if there was a motivated buyer. Talk of increased tightness to open August comes after a heavy turnaround season from May through July. Demand from antifreeze canners, a major outlet for MEG, is expected to ramp up into the coming months, with source previously noting there were some concerns about the ability of producers to cover upcoming seasonal demand as inventories are typically built during summer months. Contract prices were assessed slightly higher for August at 45.83-46.33 cents/lb, up 0.03 cent from July. Sources talked the market mostly stable, with one producer heard nominating a 1-cent increase and others rolling pricing over, while Asia contract prices were seen moving lower. The S&P Global Platts contract price is based on a weighted formula that discounts the North American benchmark price

by 15% and the ACP average by 5%, with each segment equally weighted, per market feedback. In Asia, a major export outlet for US MEG, import prices rose \$6/mt on the week to \$931/mt CFR China. Sources in the region noted that the depreciation of the Yuan against the US dollar was making imports less attractive. Upstream, US ethylene contracts were heard settling higher for July at 27.75 cents/lb, up 1.25 cents from the June contract prices, market sources said this week. The increase also follows higher spot prices over July, which have gone from 12.875 cents/lb FD USG at the start July and peaked at 15.25 cents/lb FD USG on 20 July, according to S&P Global Platts data.

### Rationale

US spot monoethylene glycol was assessed Friday at 40.5-41.5 cents/lb (\$893-\$915/mt) FOB USG, down 0.5 cent week on week. The 3-30 day assessment was based on market talk of August barge pricing indications at and around 41 cents/lb FOB USG. The August US MEG contract was assessed at 45.83-46.33 cents/lb, up 0.03 cent from July, based on a weighted formula that discounts the North American benchmark price by 15% and the ACP average by 5%, with each segment equally weighted, per market feedback.

### Asia

- Market worries about ongoing yuan depreciation
- Exchange control restricts CFR China trades

The depreciation of the Yuan against the US dollar made imported monoethylene glycol cargoes more expensive than the domestic production. Only prompt CFR China cargoes were heard traded Friday, "market participants dare not to purchase 15-30 days forward imported cargoes amid the worry about ongoing weaker yuan in the near future," a trader said. In addition, the market faced restriction for trading dollar denominated cargoes. "(China) tightened regulation on the flow of foreign exchange in and out of the country, making it difficult for financial institutions to loan or exchange dollars in China," a market source said. Asia MEG CFR China was assessed down \$5/mt day on day at \$930/mt for 15-30 days forward cargoes. On the contrary, domestic trades were relatively active, supported by firm demand from downstream polyester. The MEG domestic price at East China was assessed up Yuan 120/mt from Thursday at Yuan 7,910/mt for prompt delivery.

**S&P Global**  
Platts

## MARKET INSIGHTS / SPECIAL REPORT

### EMEA petrochemical outlook H2 2018

New global supply will continue to set the tone for European #petrochemicals in the second half of 2018, with capacity expansions in the Americas and Asia among the threats to producer margins in Europe. This special outlook report takes a look at the key themes expected to shape the European olefins, aromatics and polymers markets in the months ahead.

Read more at  
<http://platts.co/r1rf30l2Rws>

### Rationale

Asian MEG was assessed down \$5/mt from Thursday at \$930/mt CFR China Friday reflecting tradeable indications heard at around \$925-940/mt, and offers heard at \$935-\$948/mt for H1 & H2 August. The domestic price was assessed up Yuan 120/mt day on day at Yuan 7,910/mt Friday, reflecting the trades heard at around Yuan 7,880-7,940/mt.

## PROPYLENE

### Europe

- August contract price settles up Eur8 on month
- Rhine water levels drop

Propylene spot prices rose in the week to Friday, with polymer-grade propylene delivered 3-30 days forward assessed at Eur1,082/mt FD NWE, up Eur5.5 on the week. Signs of tightness continued to be seen in the market following a reduction in cracker run rates due to hot weather in Northwest Europe. Water levels on the Rhine remain a primary concern for industry sources. Rhine levels at Kaub, the bottleneck for transportation, are currently pegged at 75 cm, down from 97 cm last Friday, data from the German waterways authority showed. "If the hot weather continues there will be no movement at all by the river," one source said. "At the moment, small barges can be used but there's only a limited amount available." In contract news, the European contract price for August settled Tuesday at Eur1,040/mt FD NWE, up Eur8 from July, market sources confirmed. Industry sources had expected a small increase due to ongoing tightness in the propylene market following unplanned outages. In plant news, ExxonMobil's steam cracker in Port Jerome-Gravenchon, France, was restarting this week after being halted on July 22, the company said on the Allo Industrie site Wednesday. Following an "internal electrical failure" on July 22, it halted the steam cracker and reduced throughput at the refinery units at Esso Raffinage. The return to normal operations of the refinery units commenced shortly after the incident, the company said. The unit can produce 390,000 mt/year of propylene. Adding to that, BP will carry out maintenance lasting about a month at one of its units in Gelsenkirchen, Germany, starting mid-August, a source close to the company said Friday. The unit has a capacity of 335,000 mt/year of propylene.

### Rationale

S&P Global Platts assessed the European spot price of polymer grade propylene for delivery 3-30 days forward at Eur1,082/mt Friday, up Eur5.5/mt week on week. Indications for August PGP were pegged between flat to a 6% premium to the contract price, while CGP spot was pegged between flat to a 2% premium to the CP. Platts assessed PGP at a 4% premium to the CP, with CGP at a 2% premium, as they seem the most repeatable. The 4% and 2% premium to the MCP for September PGP and CGP, respectively, were carried over from August amid no disproving indications and as market participants were not yet looking at spot deals for August delivery.



## Americas

- Bid/offers little changed over the week
- Decline comes amid short-lived PDH issues

US propylene prices were stable to lower on Friday, as no fresh deals were done and bid/offers were slightly changed on the day. US spot prompt polymer-grade propylene was assessed at 60.00-60.50 cents/lb FD USG on Friday, down 0.75 cent on the week and flat from Thursday. August PGP bid/offers were within a range of 59-63 cents/lb during the day, while other sources said the market was still on either side of 60.25 cents/lb. Forward-month PGP was assessed at 60.00-60.50 cents/lb FD USG, down 0.50 cent on the week and flat from Thursday. The prompt month at forward month ended the week at parity. US spot refinery-grade propylene was assessed Friday at 42.875-43.375 cents/lb FD USG, down 1.375 cents on the week and down 1.25 on the day, based on a bid/offer range of 42.25-44.00 cents/lb MtB-Pipe. The decline over the week comes amid short-lived issues at two Texas propane dehydrogenation units. In a Texas environmental regulatory filing on Monday, Flint Hills Resources said during a controlled unit shutdown, there was unit upset in the PDH1 distillation area which resulted in process gas routed to the flare to relieve pressure from the affected process equipment. Trade participants said that the 658,000 mt/year PDH unit needed to be shut few days and would likely back up by the weekend. FHR's PDH unit upset comes as Enterprise Products Partners restarted its 750,000 mt/year PDH unit in Mont Belvieu, Texas, sources said on Wednesday. Also during the week, US Energy Information Administration said US stocks of propylene for non-fuel use rose 46,000 barrels to 2.762 million barrels in the week that ended July 27, EIA data showed on today. Inventories totaled 55,000 barrels below year-ago levels, the EIA data showed. In feedstocks, prompt-month purity propane was assessed at 95.875 cents/lb non-LST Mont Belvieu, down 1.625 cents on the week, but up 0.625 cent on the day. In the crude market, NYMEX prompt-month WTI futures closed at \$68.49/b, down 47 cents on the day, and down 20 cents on the week. In Mexico, RGP supply tightened this week with the unexpected shutdown of a fluid catalytic cracking unit at Pemex's Minatitlan refinery, a company source said Friday. The Minatitlan refinery had been producing RGP via only one of two FCCs following an extended downtime tied to a lack of gas for powering plant operations, the source said. RGP production at the larger Salina Cruz refinery was uninterrupted, the source added. In addition, Pemex on Friday also restarted production of polymer-grade propylene at its Cangrejera complex following a one-day shutdown tied to a Wednesday power outage, the source said. Expectations continue to call for a bump in byproduct PGP production for Pemex once larger deliveries of contracted US-origin ethane commence this month, allowing for higher run rates on the Cangrejera crackers, which run on a 90-10 ethane-propane mix. Pemex in June produced a combined 16,230 mt of PGP and RGP, down 2,793 mt (14.7%) from May and 3,359 mt (17.1%) lower year on year, with refinery outages and disruptions accounting for most of the dropoff, according to company data released this week. The company's PGP output totaled 1,391 mt in June, down 80 mt (5.4%) from May but still 234 mt (20.2%) higher year on year. Pemex's RGP production totaled 14,839 mt in June, down 2,713 mt (15.5%) from May and down 3,593 mt (19.5%) from the final month of Q2 2017.

## Rationale

US spot prompt polymer-grade propylene was assessed at 60.00-60.50 cents/lb FD USG on Friday, down 0.75 cent on the week flat day on day. The prompt August assessment took into account a bid/offer range of 59-63 cents/lb and market discussions centered on either side 60.25 cents/lb. Forward-month PGP was assessed at 60.00-60.50 cents/lb FD USG, keeping Thursday's structure in the absence of deals, bids or offers. The forward-month was down, down 0.50 cent on the week and flat from Thursday. US spot refinery-grade propylene was assessed Friday at 42.875-43.375 cents/lb FD USG, down 1.375 cents on the week and down 1.25 on the day, based on a bid/offer range of 42.25-44.00 cents/lb MtB-Pipe

## Asia

- China domestic propylene price continues to rise
- Bad weather hampers delivery of term material

The CFR China propylene marker gained \$5/mt from Thursday at \$1,100/mt Friday. The domestic price of propylene hit Yuan 9,000/mt ex-works in Shandong Friday, up Yuan 50/mt on the day. A Chinese domestic producer said she heard that a cargo of propylene traded at \$1,100/mt CFR China. "Domestic material was actually not cheap either, if you convert it to US currency and remove VAT, it comes to around \$1,104/mt, which is actually the price level for imported cargoes now," she added. The domestic producer also said local supply of propylene was tight in China due to many turnarounds among the crackers. China's Jiangsu Sailboat Petrochemical shut its methanol-to-olefin unit and downstream plants July 20, for major maintenance work lasting 35-40 days, Platts reported earlier. "The Chinese ports along the eastern coast are also hit with bad weather, and that disrupts the offloading of imported material -- this serves to push up the price for domestic and imported materials too," the producer said. Concurring that the imported propylene price is rising, a propylene end-user in China said he still prefers to stick to domestic cargoes to meet his production needs. The price of "\$1,100/mt CFR China is doable, but I still prefer to buy domestic cargoes, as it will take a month for imported material to reach my plant if I buy from overseas," an end-user in Shandong said. The FOB Korea marker was assessed at \$1,070/mt, unchanged from Thursday as price discussions were around that level. "The Chinese prices are galloping ahead, but things are still pretty quiet on the Korea market," a South Korean trading source said.

## Rationale

The CFR China marker was assessed up \$5/mt on the day at \$1,100/mt on Friday, based on a trade at that level. The FOB Korea marker was assessed at \$1,070/mt, unchanged from Thursday as price discussions were around that level. On the other hand, CFR Taiwan and FOB Japan was assessed up \$10/mt on the week at \$1,090/mt CFR Taiwan and \$1,050/mt FOB Japan, respectively, based on stronger adjacent markets. The CFR Southeast Asia market was also up \$10/mt on the week at \$1,000/mt due to a stronger market.

## BUTADIENE

### Americas

- **Contract pricing settles split for August**
- **Brazilian monomer headed to Mexico**

Import pricing for spot volumes of butadiene rose this week, tracking higher pricing in Asia and amid unchanged fundamentals as industry players pointed to a relatively quiet and balanced market. Higher Asian pricing was leading at least one North American buyer to expect pressure on US import pricing, with Europe more inclined to send cargoes to the Far East, the source said. US pricing climbed 1.5 cents/lb (\$33/mt) week on week to close Friday at 73.5-74.5/mt (\$1,620-\$1,642/mt) CIF USG, with the only pricing indication to emerge a bid at a 1-cent/lb discount to August contract pricing. A split settlement was again heard for contract pricing, although there was firming at the high end of the 70-75 cents/lb range. TPC group settled at 70 cents/lb (\$1,543/mt) for August, rolling over from July pricing. ExxonMobil and LyondellBasell also maintained stable pricing from July, settling at 71 cents/lb (\$1,565/mt) this month, with the latter coming down 1 cent from its initial nomination of 72 cents/lb (\$1,587/mt). Shell was the only producer not to roll over from July, settling at the nominated level of 75 cents/lb (\$1,653/mt) for an increase of 3 cents/lb (\$66/mt). A Shell representative said the company does not comment on "commercial arrangements such as this," while requests the other three producers did not respond to requests for comment. Many market participants expected stable contract pricing for August, with some noting that spot activity was thin amid a stable and balanced fundamentals. In Asia, butadiene pricing rose week on week amid stronger buying appetite from several Northeast Asian markets. European markets saw stable pricing while focused on declining water levels on the Rhine, leading to logistical problems for those reliant on barge transportation. From Latin America, the Adriatic Gas was heard en route to Brazil to pick up a contracted cargo bound for the US, shipper sources said. The Adriatic Gas was observed off the coast of French Guiana with an estimated arrival at Salvador de Bahia set for August 10, according to S&P Global Platts C-Flow ship-tracking software. Additionally, the Dancing Brave was observed via C-Flow stationed at a Brazilian export port, with shipper sources previously putting it on a charter for Asian delivery of Brazilian butadiene. The Navigator Copernico was en route from Brazil to Mexico with a spot delivery, sources said. The Navigator Saturn was heard to be on a Braskem charter for the delivery of butadiene and ethylene to Asia, according to shipper sources. The Gaschem Arctic delivered 4,998 mt of Brazilian butadiene to Altamira, Mexico, between August 29-August 1, according to port records. Braskem did not respond to a request for comment.

#### Rationale

US spot import butadiene pricing rose 1.5 cents/lb (\$33/mt) week on week, assessed Friday at 73.5-74.5 cents/lb (\$1,620-\$1,642/mt) CIF USG, tracking Asian pricing and accounting for a spot bid heard at 1 cent below contract pricing. August US butadiene contracts were assessed split at 70-75 cents/lb (\$1,543-\$1,653/mt), up 0.5 cent/lb (\$11), per market feedback.

### Asia

- **Buying interest from Taiwan and China heard**
- **China offers raised**

The butadiene market strengthened week on week amid stronger buying appetite from several Northeast Asian markets. Several sellers noted buying interest from Taiwan and China this week. They also noted stronger buying appetite from acrylonitrile butadiene styrene (ABS) makers, with the latter having stronger margins than styrene butadiene rubber (SBR) makers at present. One Korean producer said that while he has cargoes for September, there would likely be only one cargo, and that he would wait to offer it. "If the price is not good I can wait until next month," he said, indicating that he would offer at \$1,800/mt FOB Korea. As for Southeast Asian supply, market participants noted that the supply from these markets could help to balance out tightness in the butadiene market. A tender from Malaysia's Lotte Titan closed Friday, with award details not known at the time of publishing. In China, sources noted a major seller had increased its offer by Yuan 600/mt in the week, on the back of tighter butadiene supplies in China. The latest offer was heard at Yuan 13,000/mt ex-works, Eastern China, one Chinese source said, with spot offers by smaller players at possibly higher levels. The tighter supplies would provide incentive for Chinese buyers to return to the import market, sellers said.

#### Rationale

The FOB Korea Butadiene marker was assessed up \$25/mt day on day to \$1,700/mt Friday, below a selling indication heard at \$1,800/mt FOB Korea for H1 Sept arrival and the highest buying indication at \$1,700/mt FOB Korea for a cargo with the same arrival period. The CFR China marker was up \$25/mt day on day to \$1,660/mt Friday, below an offer heard at \$1,750/mt CFR China for H2 August to H1 September arrival, and above a tradeable value of \$1,650/mt CFR China. Domestic Chinese prices were assessed up Yuan 500/mt to Yuan 12,800/mt, below an offer heard at Yuan 13,000/mt. The CFR Taiwan marker was up \$45/mt on week Friday to \$1,700/mt, below a selling indication at \$1,800/mt CFR Taiwan and the highest buying indication at \$1,700/mt.

## C4 OLEFINS

### Europe

- **Rhine levels affect logistics**
- **Sabir force majeure on butadiene at Wilton, UK**

Attention in the European butadiene market this week was largely focused on declining water levels on the Rhine, which have generated logistical problems for those parts of the market reliant on barge transportation. "Supplies are stuck. It's very difficult and very tight," one source said this week. This had led to split availability within northwest Europe, with sources seeing product in the Antwerp-Rotterdam-Amsterdam area but a lack of material in other parts of the market. Nevertheless, uncertainty over the duration of low Rhine water levels and the expectation that current transport difficulties may only be temporary have led to domestic spot prices stagnating. FD NWE

spot prices were assessed flat on the week at Eur1,250/mt Friday. Aside from logistical issues, the butadiene market was generally calm in the week as the European summer holiday period led to a lull in activity. However, supply remains tight due in part to transportation issues but also production issues, as Sabic has declared force majeure on butadiene at its Wilton site in the UK, market sources said Friday. Sabic was not immediately available for comment Friday. The crude C4 factor to naphtha was assessed unchanged on the week at 1.33 as market activity remained limited, while in the raffinate-1 market the factor to naphtha was also assessed unchanged on the week at 1.29.

### Rationale

S&P Global Platts assessed FD NWE spot prices flat on the week at Eur1,250/mt, in line with market feedback that prices remained stable. FOB Rotterdam spot prices were also assessed flat on the week at \$1,450/mt, close to parity with FD NWE prices but below a peg at \$1,500/mt from a trader. The crude C4 factor to naphtha was assessed stable on the week at 1.33, in line with talk of stability and above a peg of 1.3. The raffinate-1 factor to naphtha was assessed unchanged on the week at 1.29 pending further market feedback.

## SYNTHETIC RUBBER

### Europe

- Feedstock styrene August CP up Eur20
- Summer holiday period sees demand fall

European styrene-butadiene-rubber prices continued the slide seen in recent weeks. Dry grades fell Eur30 on the week to be assessed at Eur1,450/mt as consumption in the European markets continued to weaken. Holidays across much of Europe and a weakening of the tire market in the second half of the year maintained the slowdown in demand seen in July. Exports to Asia from Europe have slowed as the abundance of natural rubber in the region has depressed prices, making it an unattractive option, a producer said. In feedstock styrene, the August contract price settled at Eur1,315/mt, up Eur20 on the month. The increase was unexpected by many in the downstream markets given the bearish nature of the spot market over July. "We were expecting a reduction but we just have to live with it," a producer said. In upstream butadiene, logistics issues due to Rhine water levels have hampered movements of material by barge, leading to split availability in Northwestern Europe, with sources seeing product in the Antwerp-Rotterdam-Amsterdam area but a lack of material in other parts of the market. Production issues are also expected to play a role in tightening supply, as Sabic has declared force majeure on butadiene at its Wilton site in the UK, market sources said Friday. Sabic was not available to comment on Friday.

### Rationale

S&P Global Platts assessed spot ESRB 1500/1502 at Eur1,450/mt FD NWE Friday, down Eur30/mt week on week. Spot indications were heard in a range of Eur1,445-1,450/mt. ESRB 1723/1783 grades were assessed at Eur1,350/mt, down Eur30/mt on the week, in line with 1500/1502 grades. SBR was assessed at Eur1,715/mt FD NWE, maintaining the spread with ESRB 1723/1783 at Eur365/mt.

### Asia

- SBR to butadiene margins thin
- High offers but few inquiries

The styrene butadiene rubber (SBR) market remained stable amid weak downstream demand Friday. SBR sellers said that demand had not increased as natural rubber prices remained low. One seller indicated he is offering at \$1,850-\$1,900/mt CFR Southeast Asia, but added that downstream demand is still extremely weak. Another trader said that tradeable levels were at \$1,800/mt CFR China now. This was amid strong butadiene prices in the market. Platts assessed butadiene CFR Taiwan at \$1,700/mt CFR Friday, and CFR China at \$1,660/mt Friday, placing the spread for CFR Taiwan to ESRB 1505 CFR Northeast Asia at -\$40/mt.

### Rationale

The CFR Northeast Asia marker was assessed at \$1,660/mt CFR, unchanged on the week Friday, below the lowest selling indication at \$1,800/mt CFR China, and amid weak downstream demand. The CFR SE Asia marker was assessed at \$1,760/mt CFR, unchanged on week Friday, below the lowest offer indicated at \$1,850/mt CFR Southeast Asia.

## NEWS BRIEFS

### Tariffs could delay, sink Louisiana methanol plant: Fluor

A \$3.8 billion methanol project in Louisiana could be delayed or canceled if the US imposes a tariff on components for a critical piece of equipment, global engineering and construction firm Fluor has told US officials. Fluor is on tap to build the Lake Charles Methanol project in Louisiana, which will refine petroleum coke into domestic energy and chemical products, including methanol, hydrogen, sulfuric acid and industrial gases. The company submitted one of nearly 700 public comments to the US Trade Representative Robert Lighthizer asking that components in a key piece of equipment for the plant manufactured only in China be removed from a list of \$16 billion in potential tariffs the US may impose on Chinese products. In Fluor's letter to Lighthizer, dated July 23, Kathalina Cnaan, Fluor's global director of trade compliance, asked that a certain tariff on machinery for liquefying air or gas be removed from the list of products targeted for such duties. Otherwise, the project could be delayed or canceled "due to increased costs and uncertainty," the letter said. The project's contract involves a made-to-order air separation unit (ASU) to feed gaseous high-pressure oxygen to a gasifier unit, which will be the main processing unit in the plant. The ASU will also provide nitrogen and instrument air to the entire facility, the letter said. While the ASU would be designed and supplied by a US company, certain components for it "are only available from China," the letter said. "The ASU and its accompanying proprietary technology are critical to Fluor's ability to meet its contractual price and schedule obligations to LCM," the letter said. "This situation creates a serious risk that this project — which would create 1,000 US construction



jobs, 200 US permanent plant operations jobs and 300 US associated manufacturing jobs — will not move forward.” It is “interesting that the tariffs are intertwined in all aspects of our business,” a methanol market source said this week. Another source expected the plant to face delays, but eventually come online, calling the key equipment “just a matter of cost and time.”

**ACC FIGHTING TARIFFS ON CHEMICALS** The American Chemistry Council has strongly opposed any tariffs involving chemicals, particularly in light of \$194 billion in announced investments in US chemical manufacturing. The ACC has asked the Trump administration to remove all chemicals and plastics from the \$16 billion list, which would be the second round of \$50 billion in tariffs on top of those for steel and aluminum imposed in March. The first round of \$34 billion in tariffs was imposed July 6, and China responded with tariffs on US goods of the same value, largely agricultural crops and automobiles. The \$16 billion round involves many chemicals and plastics made with them, and China disclosed a more chemical- and plastics-heavy list of retaliatory tariffs that would come in response. The US is considering an additional \$200 billion in tariffs on Chinese goods, prompting China’s Ministry of Commerce to respond on Friday that it would retaliate with another \$60 billion in tariffs on US goods. Bountiful cheap US ethane prompted chemical manufacturers to commit to building a slew of steam crackers and derivative plants along the US Gulf Coast, Pennsylvania and potentially Ohio, and the first wave began starting up in 2017. The US methanol industry has reaped similar benefits from the domestic natural gas boom and cheap feedstocks, fueling its transition into a net exporter to other countries. Methanol’s uses include antifreeze, solvent, fuel and a denaturant for ethanol. Currently the US has eight methanol plants that make a cumulative 7.5 million mt/year, including Natgasoline’s 1.75 million mt/year plant in Beaumont, Texas, that started up in June. Two more plants are slated to come online in 2019-2020: Liberty One in Charleston, West Virginia, and Methanex’s third in Geismar, Louisiana. Liberty One’s 195,000 mt/year project was relocated in pieces from Brazil as the company looked to monetize

access to cheap methane in the US. Canada’s Methanex, the world’s largest methanol producer, had previously dismantled a plant in Chile to relocate it in Geismar. Compressor issues recently pushed the Liberty One plant’s mid-2018 startup to late 2019, according to the company. Methanex is moving ahead with its third US methanol plant, Geismar III in Louisiana, adjacent to its existing 1 million/mt Geismar I and II production facilities. Overall, the three facilities will have a combined capacity of 3.8 million mt/year. LCM’s project is slated to be backed by up to \$2 billion in US Department of Energy loan guarantee program, which is intended to encourage clean energy projects. The technology involves gasifying petroleum coke into a synthetic gas, which is then converted to other products. According to LCM, the process will emit less pollution than other petcoke uses and capture carbon dioxide that can be sold to energy producers to enhance oil and gas recovery.

## US styrene gains on production outage in Europe, lower rates in Asia

US styrene prices were talked notably higher Thursday on the back of significant gains in both Europe and Asia. Sources said August spot styrene were valued at \$1,300/mt and as high as \$1,340/mt FOB USG. Asian styrene jumped \$38 on the day and European styrene prices were up \$53-\$58/mt. Asian styrene prices rose as supply tightened amid talk that Chinese authorities had told one producer that it must lower rates. The news pushed the CFR China price up to \$1,465/mt, while the FOB Korea marker also gained \$38 on the day to finish at \$1,430/mt. In Europe, sources said an unplanned production issue at LyondellBasell and Covestro’s POSM unit at Maasvlakte, in the port of Rotterdam, had pushed price sharply higher and the FOB ARA styrene marker rose \$53 to hit a 2-month high at \$1,371/mt. Details and confirmation were unavailable at time of publication; however, sources said the unit could be down at least one week. The news of higher pricing led to uncertainty in the US market as sources talked August pricing in a \$40/mt range. “There are no firm offers. The market is really volatile today,” a trading source said. US spot styrene prices closed Wednesday at \$1,270/mt and were up \$35/mt as of close of business. While August was expected to continue to climb, sources said the market was backwardated, with September talked at a \$20/mt discount to August.

## US butadiene contracts settle split for August: sources

US butadiene contracts for August came to a split settlement this week, with just one major producer implementing an increase while the other three rolled over from July, sources said Thursday. TPC group settled at 70 cents/lb (\$1,543/mt) for August, rolling over from July pricing. ExxonMobil and LyondellBasell also maintained stable pricing from July, settling at 71 cents/lb (\$1,565/mt) this month, with the latter coming down 1 cent from its initial nomination of 72 cents/lb (\$1,587/mt). Shell was the only producer not to roll over from July, settling at the nominated level of 75 cents/lb (\$1,653/mt) for an increase of 3 cents/lb (\$66/mt). A Shell representative said the company does not “comment on commercial arrangements such as this,” while requests for comment were not answered by any of the other three producers.

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### SPECIAL REPORT

#### The Chinese dream: Energy and commodities in an era of change

This report discusses China’s current policy direction - now reinforced under a more empowered President Xi Jinping - and its wider implications for global commodity markets. This includes the impact of the landmark Belt and Road Initiative, a span of state-backed investments in infrastructure and commodities production across the region, and the supply-side reforms taking shape in China’s domestic metals, mining and industrial sectors. The report includes sections focusing on steel, aluminum, oil and gas, global trade, the New Energy Economy, plastic waste, commodity exchanges, a contribution from S&P Global Ratings and Trucost, a unit of S&P Dow Jones Indices.

Download the report here:  
[Platts.com/china-report](http://Platts.com/china-report)

## SUBSCRIBER NOTES

### Platts intends to launch East China, Shandong propylene assessments Aug

S&P Global Platts intends to launch two daily, domestic China assessments with effect from August 20. The new propylene assessment will reflect trade activity in east China as well as Shandong, China and will capture increases in trade flows in the local market. The assessments will reflect domestic cargoes assessed in Yuan, 0-10 days forward from the date of publication. The cargo size of the assessment is 100-500 mt and Platts will assess cargoes with quality specifications conforming to the Polymer grade with minimum purity of 99.6%. Payment terms are assessed at-sight basis with cash payment or standard payment terms to apply. Prices will be based on latest information sourced from the market up to the close of the assessment window at 4:30PM Singapore time (0830 GMT) daily. Platts will continue to research the proposal to launch daily east China and daily Shandong ex-works propylene assessments, and is extending the feedback period to July 31, 2018 with a proposed launch date of August 20, 2018. Please direct any questions or comments to

[petchems@spglobal.com](mailto:petchems@spglobal.com) with a copy to [pricemethodology@spglobal.com](mailto:pricemethodology@spglobal.com). Please provide a clear indication if comments are intended for publication by Platts for public viewing. Platts will consider all comments received and will make these comments available on request.

### Platts standardizes CP wording in European petrochemicals methodology guide

S&P Global Platts has updated its European petrochemicals methodology and specification guide to standardize wording relevant to industry-settled contract prices for olefins, aromatics and methanol. Platts has also clarified that it will not publish a CP if industry does not reach a full settlement. Please send questions and comments to [petchems@spglobal.com](mailto:petchems@spglobal.com) with copy to [pricegroup@spglobal.com](mailto:pricegroup@spglobal.com). For written comments, please provide a clear indication if the comments are not intended for publication by Platts for public viewing. Platts will consider all comments received and will make comments not marked as confidential available upon request.

Stable contract pricing for August was expected by many market participants, with some noting that spot activity was thin amid a stable and balanced fundamentals. Spot import butadiene pricing inched higher in the first half of July but has since remained relatively stable, assessed each of the last two weeks at 72.5 cents/lb (\$1,598/mt) CIF USG. The most recent pricing indications included a bid for August contract pricing at a 1-cent discount, although there was not much interest at the talked bid level, a source said Thursday.

### SABIC declares force majeure on butadiene from Wilton site in UK: sources

SABIC issued a force majeure declaration on butadiene supplies from its Wilton site in the UK, sources said Friday. The company was not available for comment on Friday. According to S&P Global Platts Analytics data, the site has a butadiene production capacity of almost 100,000 mt/year.

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**OLEFINSCAN**

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