

## AMERICAS POLYMER SPOT PRICE ASSESSMENTS

	FAS Houston (\$/mt)	US Contract divd railcar (cts/lb)	US Domestic (\$/mt)	FOT Brazil* (\$/mt)	CFR Brazil (\$/mt)	CFR WC South America (\$/mt)
PVC SUSP	805-815	47.00-49.00	1036.16 -1080.25	---	905-915	880-890
LDPE G-P	1224-1246	78.50-79.50	1730.61 -1752.66	1285-1295	1290-1300	1295-1305
LLDPE (Butene)	1080-1102	64.50-65.50	1421.97 -1444.01	1155-1165	1160-1170	1165-1175
LLDPE C6	1080 -1102	---	---	---	---	---
LLDPE metallocene	1202 -1224	---	---	---	---	---
HDPE Inj	1102-1124	66.50-67.50	1466.06 -1488.11	1185-1195	1220-1230	1265-1275
Bmldg	1213-1235	66.50-67.50	1466.06 -1488.11	1325-1335	1315-1325	1325-1335
Film	1312-1334	69.50-70.50	1532.20 -1554.24	1360-1370	1380-1390	1405-1415
Yarn	---	---	---	---	---	---
PP Homo Inj	1709-1731	76.50-77.50	1686.52 -1708.57	1445-1455	1375-1385	1375-1385
Fiber	---	78.50-79.50	1730.61 -1752.66	---	---	---
Copol	1775-1797	---	---	1505-1515	1420-1430	1420-1430
PS G-P	1425-1445	94.00-96.00	2072.32 -2116.42	---	---	---
HIPS	1511-1531	103.00-105.00	2270.74 -2314.83	---	---	---
ABS Inj	---	107.00-109.00	2358.92 -2403.01	---	---	---
PET bottle grade	1807-1829#	1785-1807##	---	---	---	---

Notes: All price assessments reflect spot trades with the exception of US Contract Delivered railcar. \* FOT Brazil assessments are for export material via truck to MERCOSUR markets. West coast South America includes major ports in Chile, Peru, Colombia and Ecuador. # US PET bottle grade refers to DDP US West Coast. ## US PET contract price is in \$/mt.

## ASIAN POLYMER SPOT PRICE ASSESSMENTS

	CFR FE Asia (\$/mt)	CFR SE Asia (\$/mt)	CFR South Asia (\$/mt)	China Domestic (Yuan/mt)
PVC SUSP	959-961	944-946	984-986	^7390-7410 ^^6990-7010
LDPE G-P	1139-1141	1159-1161	---	9430-9470
LLDPE (Butene)	1099-1101	1119-1121	1129-1131	9480-9520
LLDPE (C6 metallocene)	1249-1251	1269-1271	1279-1281	---
HDPE Inj	1179-1181	1209-1211	1219-1221	---
Bmldg	1299-1301	1319-1321	1324-1326	---
Film	1304-1306	1324-1326	1329-1331	10980-11020
Yarn	1289-1291	1309-1311	---	---
PP Raffia	1199-1201	1229-1231	1264-1266	9480-9520
PP Injection	1199-1201	1219-1221	1259-1261	---
Fiber	---	---	---	---
Copol	1239-1241	1274-1276	1294-1296	---
IPP Film	1209-1211	1249-1251	1279-1281	---
BOPP	1219-1221	1264-1266	1284-1286	---
PS G-P	1479-1481	1499-1501	---	---
HIPS	1579-1581	1599-1601	---	---
EPS G-P	1549-1551*	---	---	---
EPS F-R	1589-1591*	---	---	---
ABS Inj	1929-1931	1944-1946	---	---
PET bottle grade	1249-1251 *	1339-1341 **	---	---

Notes: Asian PVC, PS, ABS and C6 mLLDPE, FE Asia refers to China. All Asian polymer assessments are basis L/C 0-30 days Credit differentials calculated using 1 month LIBOR +1.5%. ^Denotes ethylene-based production ^^Denotes carbide-based production. EPS F-R refers to fire retardant grade. \*Denotes FOB North East Asia (South Korea, China, Japan) \*\*Denotes FOB Southeast Asia (Thailand, Indonesia, Vietnam, Malaysia).

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### DAILY POLYMER SPOT PRICE ASSESSMENTS

	Thursday	Friday	Monday	Tuesday	Wednesday	Average
<b>CFR FE Asia (\$/mt)</b>						
HDPE film	1309-1311	1309-1311	1309-1311	1304-1306	1304-1306	1307.00-1309.00
LDPE	1139-1141	1139-1141	1139-1141	1139-1141	1139-1141	1139.00-1141.00
LLDPE	1109-1111	1099-1101	1099-1101	1099-1101	1099-1101	1101.00-1103.00
PP Raffia	1214-1216	1204-1206	1204-1206	1199-1201	1199-1201	1204.00-1206.00
PP Injection	1204-1206	1199-1201	1199-1201	1199-1201	1199-1201	1200.00-1202.00
<b>FD NWE (Euro/mt)</b>						
LDPE	1148-1152	1148-1152	1148-1152	1148-1152	1138-1142	1146.00-1150.00
LLDPE	1098-1102	1098-1102	1098-1102	1098-1102	1088-1092	1096.00-1100.00
PP Homo	1258-1262	1258-1262	1258-1262	1258-1262	1258-1262	1258.00-1262.00
<b>FCA Antwerp (Euro/mt)</b>						
LDPE	1128-1132	1128-1132	1128-1132	1128-1132	1118-1122	1126.00-1130.00
LLDPE	1078-1082	1078-1082	1078-1082	1078-1082	1068-1072	1076.00-1080.00
PP Homo	1238-1242	1238-1242	1238-1242	1238-1242	1238-1242	1238.00-1242.00
<b>FAS Houston (\$/mt)</b>						
LDPE	1257-1279	1257-1279	1246-1268	1246-1268	1224-1246	1246.00-1268.00
LLDPE	1069-1091	1058-1080	1058-1080	1047-1069	1080-1102	1062.40-1084.40
PP Homo	1686-1708	1686-1708	1686-1708	1686-1708	1709-1731	1690.60-1712.60
HDPE Blmidg	1224-1246	1224-1246	1224-1246	1224-1246	1213-1235	1221.80-1243.80
<b>FOB Middle East Netbacks (\$/mt)</b>						
HDPE	1287-1289	1287-1289	1287-1289	1282-1284	1282-1284	1285.00-1287.00
LDPE	1117-1119	1117-1119	1117-1119	1117-1119	1117-1119	1117.00-1119.00
LLDPE	1087-1089	1077-1079	1077-1079	1077-1079	1077-1079	1079.00-1081.00
PP Raffia	1192-1194	1182-1184	1182-1184	1177-1179	1177-1179	1182.00-1184.00
PP Injection	1182-1184	1177-1179	1177-1179	1177-1179	1177-1179	1178.00-1180.00

Notes: The weekly average represents the average of Thursday through Wednesday of the previous week.

FOB Middle East netback denotes CFR Far East Asia assessments minus the prevailing container freight rate from Al-Jubail to Shanghai for a standard 20-foot container.

### POLYMER SPOT FREIGHT RATES EX-MIDDLE EAST (\$/mt)

From:	Middle East 25-100 mt	Middle East >100mt
East China	25-29	20-24
South China	28-32	22-26
India	31-35	28-32
Southeast Asia	31-35	26-30
NW Europe	69-73	61-65
Turkey	78-82	68-72
US Gulf	111-115	100-104
Latin America	124-128	117-121

Notes: Please refer to the methodology guide for details on port locations.

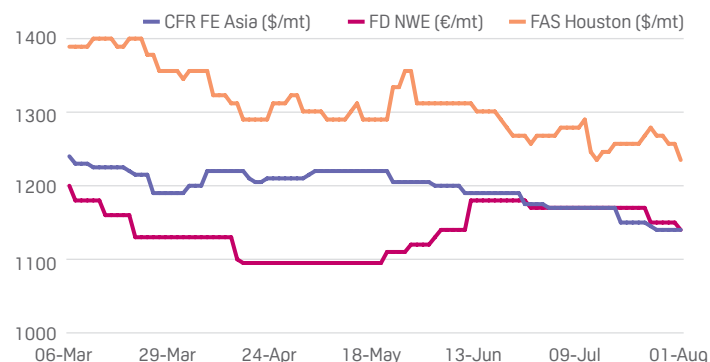
### METALS

Aluminum	US	Jul 30	cts/lb	113.668
Tin	US	Jul 30	cts/lb	929
Tin	Europe	Jul 18	\$/mt	20025-20130

### FOREIGN EXCHANGE

€1 to	\$1.1669	£1 to	€1.1244
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### GLOBAL LDPE PRICES



### SUBSCRIBER NOTES:

#### 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.

#### Total Trading Asia Pte Ltd to join Asia paraxylene physical MOC

Total Trading Asia Pte Ltd has advised S&P Global Platts it would like to participate in the Platts Asia Market on Close assessment process for Asia paraxylene physical. Platts has reviewed Total Trading Asia Pte Ltd and will consider information from Total Trading Asia Pte Ltd in the Asia assessment process for Asia paraxylene physical, subject at all times to adherence to Platts editorial standards. Platts will publish all relevant information from Total Trading Asia Pte Ltd accordingly. Platts welcomes all relevant feedback regarding MOC participation. Platts considers bids, offers and transactions by all credible and creditworthy parties in its assessment processes. For comments and feedback, please contact Platts editors at [petchems@spglobal.com](mailto:petchems@spglobal.com) and [moc\\_reviews@spglobal.com](mailto:moc_reviews@spglobal.com).

#### Platts corrects July US PTA contract price assessments for July 13

S&P Global Platts has corrected its US monthly PTA assessments for July 13, 2018 to reflect unsettled contracts for the month. US PTA contracts last settled for June at 49.84-49.84 cents/lb and 1098.77-1098.77/mt. The assessment can be found on Platts Petrochemical Alert page PC0532 and in the Platts price database under the symbols AAUNY00 and AAUNY04. For comments or queries please contact [pl\\_petchems\\_us@spglobal.com](mailto:pl_petchems_us@spglobal.com) and [pricegroup@spglobal.com](mailto:pricegroup@spglobal.com).

(continued on page 31)

## EURO CONTRACT ASSESSMENTS (Euro/mt)

	Germany	Holland	Italy	France	Spain	Britain*	FD NWE CP** (\$/mt)
PVC susp Gross	968-972	968-972	958-962	968-972	958-962	861-865	1130-1134
PVC susp Net	943-947	943-947	933-937	943-947	933-937	838-842	—
LDPE G-P	1428-1432	1428-1432	1428-1432	1428-1432	1428-1432	1270-1274	1667-1671
LLDPE C4 (Blown film)	1358-1362	1358-1362	1358-1362	1358-1362	1358-1362	1208-1212	1585-1589
LLDPE C4 (Cast stretch film)	1358-1362	1358-1362	1358-1362	1358-1362	1358-1362	1208-1212	1585-1589
LLDPE C6 (Blown film)	1413-1417	—	—	—	—	—	1649-1653
LLDPE C6 (Cast stretch film)	1413-1417	—	—	—	—	—	1649-1653
HDPE Inj	1373-1377	1373-1377	1373-1377	1373-1377	1373-1377	1221-1225	1602-1606
HDPE Bmldg	1373-1377	1373-1377	1373-1377	1373-1377	1373-1377	1221-1225	1602-1606
HDPE Film	1393-1397	1393-1397	1393-1397	1393-1397	1393-1397	1239-1243	1626-1630
HDPE HMW 2-5	1393-1397	1393-1397	1393-1397	1393-1397	1393-1397	1239-1243	1626-1630
HDPE HMW 5-10	1388-1392	1388-1392	1388-1392	1388-1392	1388-1392	1234-1238	1620-1624
PP Homo Inj	1428-1432	1428-1432	1418-1422	1428-1432	1418-1422	1270-1274	1667-1671
PP Copol	1478-1482	1478-1482	1468-1472	1478-1482	1468-1472	1314-1318	1725-1729
GPPS Net	1433-1437	1433-1437	1433-1437	1433-1437	1433-1437	1274-1278	1673-1677
HIPS Net	1523-1527	1523-1527	1523-1527	1523-1527	1523-1527	1354-1358	1778-1782
EPS	1763-1767	1763-1767	1763-1767	1763-1767	1763-1767	1568-1572	2058-2062
ABS GP/Nat	1888-1892	—	1888-1892	1888-1892	1888-1892	1679-1683	2203-2207
ABS Ave color	2018-2022	—	2018-2022	2018-2022	2018-2022	1795-1799	2355-2359
ABS Auto black	2158-2162	—	2158-2162	2158-2162	2158-2162	1919-1923	—
PET bottle grade	1424-1428	—	1424-1428	1424-1428	1424-1428	1211-1215	—
PET bottle grade	—	—	—	—	—	1362-1366##	—
PET bottle grade Net	1318-1322	—	—	—	—	1176-1180	1538-1543
PET bottle grade Net	—	—	—	—	—	1323-1327##	—
APET film grade	1413-1417	—	—	—	—	—	—
APET film grade Net	1308-1312	—	—	—	—	—	—

Notes: \*FD Britain = FD UK, with assessments in British Pounds per metric ton. \*\*FD NWE CONTRACT PRICE denotes FD Germany converted into US dollars. ## PET bottle grade assessments basis FD UK are in Euro/mt. PET assessments refer to regular business at prices negotiated between buyers and sellers on a monthly basis.

## PLATTS EUROPEAN AND AFRICAN POLYMER SPOT PRICE ASSESSMENTS

	FOB NWE (\$/mt)	FD NWE (Eur/mt)	FCA Antwerp (Eur/mt)	CFR Russia* (Eur/mt)	CFR Turkey** (\$/mt)	CFR North Africa (\$/mt)	FD UK (GBP/mt)	CFR West Africa (\$/mt)
PVC SUSP (\$/mt)	1002-1006	918-922	—	756-760	923-927	—	—	—
LDPE G-P	1258-1262	1138-1142	1118-1122	1088-1092	1148-1152	1238-1242	—	1248-1252
LLDPE (Butene)	—	1088-1092	1068-1072	1038-1042	1118-1122	1108-1112	—	1128-1132
LLDPE C6	—	1128-1132	—	—	—	—	—	—
LLDPE metallocene	—	1238-1242	—	—	—	—	—	—
HDPE Inj	1299-1303	1173-1177	1153-1157	1123-1127	1168-1172	1228-1232	—	1278-1282
Bmldg	1322-1326	1193-1197	1173-1177	1143-1147	1248-1252	1258-1262	—	1298-1302
Film	1317-1321	1188-1192	1168-1172	1138-1142	1268-1272	1278-1282	—	1318-1322
PP Homo Inj	1398-1402	1258-1262	1238-1242	1173-1177	1248-1252	1278-1282	—	1308-1312
PP Raffia	—	—	—	—	1248-1252	1278-1282	—	1308-1312
PP Copol	1457-1461	1308-1312	1288-1292	1223-1227	1318-1322	1308-1312	—	1348-1352
PS G-P	1503-1507	1348-1352	—	—	1458-1462	1458-1462	—	—
HIPS	1602-1606	1433-1437	—	—	1508-1512	1508-1512	—	—
EPS	1935-1939	1718-1722	—	—	1508-1512	—	—	—
ABS GP/Nat	2053-2057***	1828-1832	—	—	—	—	—	—
PET bottle grade	—	1343-1347	—	—	—	—	1203-1207	—
PET bottle grade	—	—	—	—	—	—	1353-1357#	—
Recycled PET	—	1048-1052	—	—	—	—	919-923	—
Recycled PET	—	—	—	—	—	—	1034-1038#	—

Notes: FOB NWE prices are based on exports of 300mt or more. \*CFR Russia denotes CFR St Petersburg; \*\*CFR Turkey denotes CFR Istanbul; \*\*\* ABS GP/Nat denotes CFR NWE in \$/mt. # PET bottle grade and Recycled PET assessments for FD UK are in Euro/mt. Recycled PET assessments are for a hot wash flake without food approval.

## POLYMERS

### POLYVINYL CHLORIDE

#### Europe

- **Spot weaker as material stockpiles**
- **Ethylene CP settles at rollover**

The European PVC spot price was assessed down Eur 5 on the week at Eur920/mt FD Wednesday due to high inventories and weak demand. Inventories in Europe were at 18-24 month highs, a trader said, as Turkey remained absent from the market, cutting Europeans' most important export route. This was mixed with low domestic demand, as the summer season has led to many medium-sized buyers closing their doors for one to two weeks for vacations, a North European producer said. Spot trading was quiet during the week as producers waited for the result of the ethylene contract price settlement before making sales decisions. Ethylene settled late on Tuesday at Eur1,135/mt (\$1,328/mt) FD NWE, at a rollover from July. This has led initial indications from producers to suggest a rollover for August contract settlements for PVC, but some producers suggested they were more realistically expecting a decrease. "Buyers are saying there are more attractive offers around," a PVC producer said. Imports are adding to the downward pressure on the European market as booked US material is arriving. Supply was also high in Turkey, a trader said, and demand had dropped off completely. European export offers were made in a range of \$930-\$950/mt, without interest. South Korean and Mexican K67 offerings were also heard at this level without visible success. "The Turkish PVC market has displayed a flat-line for weeks," a buyer said.

#### Rationale

The European PVC spot price was assessed down Eur5 at Eur920/mt FD, following indications of severe length in Europe combined with weaker demand due to the summer vacation season. The European contract price was assessed down Eur10 at Eur945 for Germany, the Netherlands and France, in line with indication of lower settled levels from a producer. Spain and Italy were assessed at Eur935/mt, steady and in line with indications for Southern Europe. The Turkish import PVC market was assessed down \$10 at \$925/mt CFR, reflecting a lack of interest in European offers in a range of \$930-\$940/mt.

#### United States

- **Reduced offers generate deal, market unimpressed**
- **Global demand soft**

US export polyvinyl chloride prices were assessed Wednesday at \$805-\$815/mt FAS Houston, down \$35/mt week on week, based on a deal heard done in that range. The decline came amid arduous August pricing negotiations, some of which had yet to conclude, that began with a gap between bids and offers of \$45/mt or more. Producers were heard last week to issue initial nominations at \$845/mt FAS Houston, rollovers of July pricing, which reaped no deals as buyers pushed for lower prices amid soft global demand. Some offers

declined to \$835/mt, then \$820/mt, and then \$810/mt, though some market sources said global buying interest remained lukewarm at that last level. "Everyone is looking for numbers much lower than that," a market source said. Sources said demand has not rebounded in the Middle East after Ramadan, which has prompted aggressive selling by a Middle Eastern producer with offers well below US July export PVC pricing. In addition, spot demand in Asia was sluggish amid India's monsoon season, and Europe faced high inventories and weak demand as Turkey remained absent from the market. Turkey, Europe's top export route, last month shut out US-origin PVC with anti-dumping duties and prohibition of re-exporting products made with US material. Turkey was the fifth-largest export market for US PVC in 2017. "Demand is slow everywhere," a market source said. Some producers pointed to higher August pricing in Asia, where prices rose \$20-\$30/mt, but traders countered that a major Asian producer made those offers with half the normal volumes available and gave no volume discounts, so the increase was "supply driven, not demand driven." PVC also is among US products that China targeted for retaliatory tariffs amid escalating trade tensions between China and the US. China, like Turkey, imposes anti-dumping duties on US PVC, but allows products made with it to be re-exported. China was the second-largest export market for US PVC behind Canada in 2017. In Asia on Wednesday, PVC prices were unchanged week on week at \$960/mt CFR China, \$985/mt CFR India and \$945/mt CFR Southeast Asia with August business concluded and market participants looking ahead to September pricing. In Europe, PVC prices fell Eur5 to be assessed Wednesday at Eur920/mt FD NWE. US domestic PVC prices were assessed at 47-49 cents/lb (\$1,036-\$1,080/mt) delivered rail car basis, stable week on week, based on pricing indications per market feedback.

#### Rationale

US export polyvinyl chloride prices were assessed Wednesday at \$805-\$815/mt FAS Houston, down \$35/mt week on week, based on a deal heard done in that range. US domestic PVC prices were assessed at 47-49 cents/lb (\$1,036-\$1,080/mt) delivered rail car basis, stable week on week, based on pricing indications per market feedback.

#### Asia

- **Sep outlook unclear on uncertain supply situation**
- **PVC-VCM spread \$90/mt higher than breakeven**

Asian PVC was stable week on week Wednesday, after August business was concluded with a \$20-\$30/mt price increase from July. Market sources said the price increase for August was due to limited supplies in Asia, while spot demand was rather sluggish, especially in India. Market participants are currently eying September business, for which the outlook is seen to be mixed. A market source pointed out that Asian PVC suppliers would try to keep their PVC prices for September, reflecting tight supplies, but it is unclear if they would be able to do so, citing an influx of deepsea cargoes, especially from Europe to India. An offer from Europe was heard at \$940/mt CFR India, another market source said. The FAS Houston PVC price was assessed

unchanged at \$845/mt last Wednesday, according to S&P Global Platts data. Falling upstream ethylene prices may pressure the Asian PVC market as well. The CFR Northeast Asia ethylene price was assessed down \$15/mt week on week at \$1,350/mt Wednesday, according to Platts data. The price spread between PVC and vinyl chloride monomer feedstock is also wide at \$240/mt Wednesday, unchanged from the previous week and much higher than a typical breakeven spread of \$150/mt, Platts data showed. On the demand side, PVC buying appetite in India was slow this week due to the recent transport strike, which ended earlier this week.

### Rationale

The CFR China PVC price was assessed unchanged week on week at \$960/mt Wednesday, after the latest deal done was heard at \$960/mt CFR China this week. The CFR India PVC price was flat at \$985/mt during the same period, with a deal done range heard at \$970-\$990/mt CFR India. Meanwhile, the CFR Southeast Asia PVC price was steady from the previous week, assessed at \$945/mt Wednesday, in line with the stable China/India markets.

## Latin America

- **Industrial slowdown continues during LatAm winter**
- **Brazil eyes potential shift in Braskem ownership**

Import pricing for spot cargoes of polyvinyl chloride trended lower this week in key South American markets, tracking weaker global pricing while simultaneously pressured by soft seasonal demand. Winter weather and vacations in the region has hampered consumption and restocking throughout the region, and upcoming elections also was weakening buy interest, sources said. South American industries from Brazil to Peru were looking for indications that potential political changes to their respective governments will bring an increase in construction projects and ease lending restrictions, sources added. Along South America's Pacific Coast, spot import PVC pricing fell \$15/mt week on week to a Wednesday assessment of \$880-\$890/mt CFR West Coast South America, buying indications for US and Asian product talked in that range. Buy interest has been hurt by buyers searching for a floor amid falling global pricing, sources said. Similar sentiment was heard in Brazil, where import PVC pricing fell \$30 during the same period to close at \$905-\$915/mt CFR Brazil, with buyers using cheaper domestic pricing to pressure international offers lower, sources said. In addition to upcoming elections, local buyers also were monitoring talks between LyondellBasell and Brazilian conglomerate Odebrecht on a potential transfer of the latter's ownership stake in regional PVC producer Braskem. Any potential deal could leave Odebrecht with a better chance at resurrecting or completing several major construction projects in Brazil, in turn driving up demand for PVC, sources said. Additionally, a shift in ownership is expected to stabilize petrochemical pricing in Brazil, sources said. Braskem was heard selling regionally produced PVC around \$1,100/mt delivered, with a netback to CFR pricing pegged at around \$880-\$900/mt, a source said. Braskem did not respond to a request for comment. In Asia, PVC pricing held stable this week ahead

of September negotiations, while European pricing trended lower amid high inventories. US pricing, meanwhile, also moved lower this week on soft global demand, sources said.

### Rationale

CFR Brazil: Spot PVC pricing fell \$30/mt week on week, assessed Wednesday at \$905-\$915/mt CFR Brazil, based on notional pricing talked in that range. CFR WCSA: Spot PVC pricing fell \$15/mt to \$880-\$890/mt CFR West Coast South America, based on trading levels talked below \$890/mt CFR and tracking US export pricing.

## LOW DENSITY POLYETHYLENE

### Europe

- **August ethylene settles at rollover**
- **Supply ample**

The European low-density polyethylene spot price slipped Eur10 this week to be assessed at Eur1,140/mt FD NWE while the contract was unmoved at Eur1,430/mt FD NWE. While supply remained high, there was no uptick in demand. The product was heard pegged in a wide range of Eur1,100/mt CIF Italy in Southern Europe to Eur1,210/mt FD NWE in Northwest Europe. Within the UK, the product was heard pegged in the range GBP1,020-GBP1,040/mt FD (Eur1,147-1,169/mt FD). The industry-settled European contract price of feedstock ethylene for August was fully settled at Eur1,135/mt (\$1,328/mt) FD NWE Tuesday, at a rollover from July. Ethylene supply in Europe is currently ample but tightness is seen emerging on the horizon as at least two major crackers have scheduled maintenance during August. Platts ethylene contract price indicator (PEI) for September, based on the spot prices of feedstock naphtha and various co-products produced by steam crackers, was Eur1,137/mt FD NWE Tuesday. Front month ICE Brent crude future dropped \$1.85 from Tuesday to be assessed at \$72.54/b at Platts 16:30 London time close Wednesday and weighed on petrochemicals prices.

### Rationale

S&P Global Platts assessed spot LDPE price down Eur10 on the week and at Eur1,140/mt FD NWE. The assessment was made reflecting a well supplied market and at the lower end of the most representative Eur1,140-Eur1,150/mt FD range heard. The contract price was assessed at Eur1,430/mt, flat on the week and in sync with the feedstock ethylene settlement at a rollover for August. The assessment was also at the level pegged by a producer and a trader.

## United States

- **Weaker global demand fuels drop**
- **Feedstock contracts could rise: sources**

US export low-density polyethylene pricing was assessed Wednesday at \$1,224-\$1,246/mt (55.5-56.5 cents/lb), \$44/mt lower on the week, as hopper car prices were heard moving lower for August. LDPE prices

have been under pressure due to lingering trade tensions between the US and China, as well as seasonal demand lulls in important export markets. Sources talked pricing for hopper cars in the low 50 cents/lb range, with some indications for Asia-bound resin at a discounted level. The FAS Houston assessment factors in additional cost for packaging and transportation. Sources have noted that US resin was still difficult to place in some key markets, with US-based traders noting that cargoes from the Middle East were still more competitive in Latin America, though US pricing was finding traction. In the domestic market, buyers appear poised to push for decreases in August while producers will again attempt to implement a 3-cent price hike that has been on the table since March. Domestic contracts were assessed stable on the week at 78.5-79.5 cents/lb (\$1,730-\$1,753/mt) delivered rail car basis, unchanged from July's rollover. While there were expectations demand could remain strong ahead of the peak hurricane season, other sources said large buyers were shifting focus to finished goods, meaning some of the traditional summer slowdown could begin to materialize this month. Strong buying in recent months has prompted producers' push to implement the increase, though it has proven unsuccessful to this point. Upstream, spot ethylene prices gained 0.375 cent on the week, assessed Wednesday at 14.375 cents/lb FD USG for the prompt month as it rolled from July to August. July contracts were unsettled Wednesday, though sources indicated they could settle soon with an increase of 1.25 cents/lb currently talked by market participants.

### Rationale

US LDPE export was assessed Wednesday at \$1,224-\$1,246/mt (55.5-56.5 cents/lb), down \$44/mt week on week. The assessment was based on pricing levels talked at 53 cents/lb for bulk export rail cars. The assessment factors in packaging and transportation to port costs of around 3 cents/lb (\$66/mt) on top of bulk rail car prices, per market feedback. Domestic contracts were stable at 78.5-79.5 (\$1,730-\$1,753/mt) delivered rail car basis based on pricing indications in line with a July rollover amid uncertainty about the direction of August settlement.

## Asia

- **China's Qinghai Damei to start up in 2019**
- **Redirection of US cargoes on US-China trade war**

Asian low density polyethylene prices inched lower by \$5/mt week on week Wednesday, amid the seasonal demand lull. While polymer inventories in China were heard as low, but many trade participants in China did not want to import due to the depreciation of the Chinese yuan against the US dollar, and instead, continued to adopt a wait-and-watch approach on the back of unclear market direction. Most converters preferred to offtake a small quantity from the domestic market as there was no significant price difference between domestic cargoes and imports. US cargoes were currently offered to regions outside of China, in order to avoid tax complications should the trade tariffs against US imports be introduced in the wake of a trade war, trade sources said. They added there remained no clear impact from

the US-China trade tensions, as there had been no implementation of the second tranche of stiff import tariffs, which would involve LDPE, while first tranche was mainly for finished products made out of the resin. Meanwhile, converters who had wanted to expand had put off purchasing resin and machines from the US due to the current US-China geopolitical tensions. Traders expected a cargo swap, with Northeast Asia beginning to import more commodity grade PE, in exchange for Northeast Asian production sold to China, if China were to impose tariffs on US material. LDPE imports from US to China accounted for only 6% of imports, according to market sources. In plant news, China's Qinghai Damei Coal Industry plans to start up its new 300,000 mt/year coal-based PE unit at Xining, in 2019, a source close to the company said. Market views on the impact of this plant coming on stream was mixed, with some expecting prices to fall due to oversupply. Other sources said they do not expect immediate supply from the plant, as it usually takes a few months for the plant to ramp up.

### Rationale

Asian LDPE with a melt flow index of 0.3-4, but typically between 1 and 2, was assessed lower by \$5/mt week on week at \$1,140/mt CFR Far East Asia Wednesday, above buying ideas heard at \$1,120/mt CFR. A melt flow index of 0.3-1 carries a premium of \$30-\$50/mt, with a lower melt flow commanding a higher premium. The CFR Southeast Asia marker was assessed lower by \$5/mt week on week at \$1,160/mt, below an offer heard at \$1,165/mt CFR Southeast Asia.

## Latin America

- **Colombia domestic prices down on motivated sellers**
- **Pemex could start 3rd LDPE line with more ethane**

Spot import pricing for low-density polyethylene continued to trend lower in key Latin American markets this week as buy interest remained soft amid expectations for lower August pricing and improved availability from the US, sources said. Along South America's Pacific Coast, spot pricing for LDPE fell \$10/mt to \$1,295-\$1,305/mt CFR West Coast South America. Market participants said ample offers were coming mostly from the Middle East, US and Brazil, respectively. WCSA buyers showing short interest to purchase amid many local distributors and large companies with high inventories, sources said. In Colombia, domestic pricing for Bogota buyers fell \$10/mt this week, lending support in abundant offers from traders looking to close deals promptly. Ecopetrol's resin formula driven for domestic pricing rose 0.4% for buyers paying in local currency. In Colombia, market participants are positive that this is a good year to be a buyer due to a variety and abundance of materials coming from different sources generating competition for traders to close deals. End users are very conservative to increase inventories due to expectations that prices will fall each time after closing a negotiation. In Brazil, spot import LDPE pricing fell \$15/mt to close at \$1,295-\$1,305/mt CFR, with on-the-water cargoes from the Middle East priced below US-origin resin, sources said. Domestic Brazilian pricing also fell this week, down 2.9% as import pricing fell while the local currency saw its value decrease

against the US dollar. Difficulty obtaining financing and affordable inland transportation were also factors leading to weak buy interest in Brazil, sources said. Similar sentiment was heard in Argentina, where buyers are operating on a week-to-week basis while the country deals with currency that has lost around 50% of its value this year, sources said. Domestic Argentina LDPE pricing fell this week by 0.5%, with a local broker saying that lower import pricing cannot apply the type of pressure seen in other markets because Argentina buyers cannot finance larger volumes typically seen in the CFR market. In Mexico, LDPE prices were stable as pricing was talked in a similar range, however there were indications pricing could move lower in August on improved availability that prompted some buyers to hold out, sources said. Talk of better access to import material comes as Pemex reported lower June polyethylene production due to feedstock constraints and weather-related outages. Pemex's decline in PE output was largely fueled by the LDPE decreased production from units at Cangrejera, with LDPE output totaling 8,936 mt, down 3,566 mt (28.5%) month on month and 2,601 mt (22.5%) year on year. Pemex continues to run two of the three LDPE lines at Cangrejera, a company source recently said, adding that the third line could be restarted once a pattern of ethane imports is established.

### Rationale

CFR WCSA: Spot fell \$10/mt week on week, assessed Wednesday at \$1,295-\$1,305/mt CFR West Coast South America, based on pricing indications around \$1,295-1,305/mt CFR. The assessment was made at the midpoint of the range. CFR Brazil: Spot LDPE fell \$15/mt to \$1,290-\$1,300/mt CFR Brazil, based on trading levels for on-the-water cargoes originating from the Middle East. FOT Brazil: Spot LDPE held steady at \$1,285-\$1,295/mt FOT, based on Brazilian resin trading at \$1,410/mt CPT Paraguay. The assessment deducts \$120/mt for inland freight, per market feedback.

## LINEAR LOW DENSITY POLYETHYLENE

### Europe

- Ethylene settles for August
- Metallocene supply heard tighter

The European linear low-density polyethylene spot price slipped Eur10 week on week Wednesday strong supply and flat demand. The spot price for C4 grade was assessed at Eur1,090/mt and for C6 at Eur1,130/mt. Metallocene was assessed at Eur1,240/mt, unchanged. Metallocene supply was tighter than other grades. The contract price for C4 grade was assessed at Eur1,360/mt FD NWE and for C6 grade at Eur1,415/mt FD NWE, both flat. All grades except metallocene were heard well supplied and no uptick in demand was seen. Middle East origin metallocene, especially from Gulf Cooperation Council countries, was heard headed to Europe. Spot LLDPE C4 was heard pegged in the range Eur1,060/mt CIF Italy in Southern Europe to 1,120/mt FD in Northwest Europe. A trader's peg for spot metallocene was heard at Eur1,240/mt FD NWE. A converter in Italy saw contract Eur100 higher

than spot. In the UK, LLDPE spot was heard being offered at GBP985/mt FD (Eur1,108/mt FD). The industry-settled European contract price of ethylene for August was fully settled at Eur1,135/mt (\$1,328/mt) FD NWE Tuesday, at a rollover from July. Ethylene supply in Europe is currently seen long but tightness is seen emerging on the horizon as at least two major cracker have scheduled maintenance during August. Platts ethylene contract price indicator (PEI) for September, based on the spot prices of feedstock naphtha and various co-products produced by steam crackers, stood at Eur1,137/mt FD NWE Tuesday. Front month ICE Brent crude futures dropped \$1.85 from Tuesday to be assessed at \$72.54/b at Platts 16:30 London time close Wednesday and weighed on petrochemicals prices.

### Rationale

S&P Global Platts assessed spot LLDPE C4 prices down Eur10 on the week and at Eur1,090/mt FD NWE. The assessment was lowered to reflect a well-supplied market and was made in between the most representative Eur1,080-Eur1,100/mt FD range heard. C6 spot was assessed at Eur1,130/mt, down Eur10, along with C4 prices. Metallocene spot was assessed at Eur1,240/mt FD NWE, flat on the week, and Eur20 below a trader's peg at Eur1,260/mt FD. Contract prices for all LLDPE grades were unchanged to reflect feedstock ethylene's settlement for August at a rollover from July.

### United States

- FAS butene, hexene levels on par
- Buyers may seek CP decrease: sources

Export linear low-density polyethylene prices were mixed on the week as sources noted resin remained abundant for most grades. LLDPE butene was assessed at \$1,080-\$1,102/mt FAS Houston (49-50 cents/lb), up \$11/mt on the week, as sources talked rail car pricing on an FOB Houston basis in the mid-to-upper 40s cents/lb range. LLDPE hexene prices were \$11/mt lower at \$1,080-\$1,102/mt FAS Houston (49-50 cents/lb) FAS Houston with pricing talked on par butene. Butene volumes were heard slightly limited compared to hexene as monomer issues were limiting supply, sources have said. Metallocene was assessed \$33/mt lower at \$1,202-\$1,224/mt (54.5-55.5cents/lb) FAS Houston, with rail car prices still talked in the low 50s cents/lb level. Market participants noted downward pressure on pricing heading into August, with slow demand and currency issues in some key export markets at the root of sought decreases. LLDPE grades, in general, have been the most available due to capacity ramp ups in the USG throughout the year. With some expectations that domestic demand could slow in August, sources also have noted that exports could become a bigger part of the equation this month as suppliers look to maintain stocks. Producers will again push to increase contract levels by 3 cents/lb in August, an increase that has been on the table but unsuccessful since the end of Q1. Sources said buyers are likely to counter with a call for decreases, citing weaker global pricing and a potential decrease in buying — though that was still to be determined as some sources felt buying would remain steady ahead of peak hurricane season. Domestic contract prices were

assessed stable Wednesday at 64.5-65.5 (\$1,422-\$1,444/mt) delivered rail-car basis, unchanged from July's rollover levels.

### Rationale

US LLDPE butene export prices were assessed \$11/mt higher at \$1,080-\$1,102/mt FAS Houston (49-50 cents/lb), with rail-car pricing talked at 46-47 cents/lb FOB Houston, and adding bagging and transportation-to-port costs, which are estimated at 3 cents/lb. Hexene-grade LLDPE was assessed \$11/mt lower at \$1,080-\$1,102/mt FAS Houston (49-50 cents/lb) FAS Houston, with pricing talked on par with butene. Metallocene was assessed \$33/mt lower at \$1,202-\$1,224/mt (54.5-55.5 cents/lb) FAS Houston, based on rail car pricing talked at 52 cents/lb. Domestic butene contracts were assessed stable at 64.5-65.5 (\$1,422-\$1,444/mt) delivered rail-car basis, based on pricing indications in line with July's rollover level amid uncertainty about the direction for August.

## Asia

- **Small impact on mLLDPE on impending trade tariff**
- **China's Zhongan Lianhe to start new plant in 2019**

Asian low density polyethylene prices in the week to Wednesday were stable to lower due to thin demand amid a seasonal lull. Most market observers remained concerned over impending Chinese tariffs on mLLDPE imports from the US. But sources said US imports accounted for a small amount of imports in 2017, of around 21,000 mt, which could be easily procured and replaced from other regions. Some observers said the scrap ban in China since the beginning of the year had brought about an increase of around 1 million mt/year of higher virgin PE demand, or about 6% of total imports estimated at 15 million mt/year in 2018. The upside however, was offset by other bearish macroeconomic news, namely the depreciation of the Chinese yuan against the US dollar. Most sources did not want to procure given the weak Asian currencies against the US dollar. In plant news, China's Zhongan Lianhe plans to start up its new 350,000 mt/year coal-based high density polyethylene/linear low density unit at Anhui in 2019, a source close to the company said. Market sources expect the full commissioning and startup to last a few months, typical of all polymer units, which require some time to startup. Japan's PE imports decreased in June month on month, with HDPE showing the steepest decline, according to recent customs data released. HDPE decreased 12.1% to 16,601 mt, while LLDPE decreased 5% to 1,610 mt in June, data showed. Most sources expected a demand recovery towards the end of the year.

### Rationale

Asian butene-grade LLDPE with a melt flow index of 1-2 was assessed lower by \$10/mt week on week at \$1,100/mt CFR Far East Asia Wednesday, based on a cargo traded at the same level. The CFR Southeast Asia marker for dutiable Middle Eastern cargoes were assessed lower by \$5/mt at \$1,120/mt, below an offer at \$1,125/mt CFR. The CFR South Asia marker was assessed stable at \$1,130/mt, amid weak demand. Dutiable C6 LLDPE was assessed stable week on week at \$1,250/mt CFR Far East Asia, amid thin trade.

## Latin America

- **Demand in Colombian domestic market talked strong**
- **Import pressure a 'fantasy' in Argentina: broker**

Import pricing for spot cargoes of linear-low-density polyethylene moved lower again this week in South America, with key markets seeing the frequency of offers rise with improving availability, sources said. Along South America's Pacific Coast, spot pricing for LLDPE fell \$10/mt to \$1,165-\$1,175/mt CFR West Coast South America, with market participants indicating abundant offers in the market mainly from US and Middle East. Those LLDPE offers created competition among traders to close deals, showing prices in favor to buyers. In Colombia, domestic pricing for Bogota buyers fell \$10/mt this week, lending support in favorable offers to buyers and creating an appetite for converters to increase LLDPE in the blend. Brazilian markets also saw pricing trend lower on soft buy interest, closing down \$15/mt at \$1,160-\$1,170/mt CFR, with resins from the US dominating the market, sources said. Brazilian export pricing held stable this week, with distributor stocks low and buyers waiting out fresh August offers that are expected fall on import pricing pressure, sources said. Brazilian domestic pricing held steady this week, with some distributors pointing to a lack of room for reductions amid already low pricing compared with other grades. Brazilian export LLDPE butene held at \$1,155-\$1,165/mt FOT, with hexene and metallocene maintaining their premiums of \$50/mt and \$80/mt, respectively. In Argentina, domestic LLDPE butene pricing held steady on soft buying interest, with buyers pointing to sustained lower Brazilian pricing in July as leading to high stocks entering August. The idea that falling import pricing would pressure Argentinian domestic markets was dismissed as "fantasy" by a local broker, who added that a lack of financing is a constant problem for buyers. While CFR pricing has trended lower for LLDPE butene, those offers are typically for much larger volumes than those seen in the domestic market, the source said, adding that an inability to finance anything greater than one-week volumes is keeping prices high. In Mexico, LLDPE prices were unchanged on the week, maintaining a slight decline seen at the end of July. Market sources noted that buyers were seeking additional decreases, with increased availability from the US serving as a primary driver. The call for lower pricing comes despite an overall reduction in production by domestic producer Pemex. Pemex produced 16,604 mt of linear- low-density PE in June, down 964 mt (5.5%) from May and 5,144 (23.7%) lower year on year.

### Rationale

CFR WCSA: Spot LLDPE butane fell \$10/mt week on week, assessed Wednesday at \$1,165-\$1,175/mt CFR West Coast South America, based on pricing indications levels heard at \$1,165-\$1,175/mt CFR WCSA. The assessment was made at the midpoint of the range. CFR Brazil: Spot LLDPE butene fell \$15/mt to \$1,160-\$1,170/mt CFR Brazil, based on US-origin resins trading in that range. FOT Brazil: Spot butene held steady at \$1,155-\$1,165/mt FOT, based on Brazilian resin talked at \$1,280/mt CPT Paraguay. The assessment deducts \$120/mt for inland freight, per market feedback.



## HIGH-DENSITY POLYETHYLENE

### Europe

- **Supply a shade tighter**
- **Total yet to lift Gonfreville force majeure**

The European high-density polyethylene spot and contract prices for injection, blowmolding and film grades were unchanged this week even though spot prices for low density PE and linear low density PE dropped a little. The product continued to remain a shade tighter than other PE grades. HDPE injection spot was assessed at Eur1,175/mt, while, blowmolding and unimodal film spot prices were assessed at Eur1,195/mt and Eur1,190/mt respectively. Contract prices for all grades were also unchanged. HDPE injection was heard pegged in a wide range of Eur1,150-Eur1,300/mt FD NWE and one producer saw HDPE blow at Eur1,260/mt FD NWE. HDPE film was pegged by a trader at Eur1,195/mt FD NWE. A producer and a trader saw contract prices stable. France's Total was yet to lift the force majeure on HDPE from its Gonfreville plant in France, sources said. The company had declared force majeure on supply of HDPE from Gonfreville on June 22 following technical issues. Production at the plant has resumed. Total produces 240,000 mt/year of HDPE at its Gonfreville site. The industry-settled European contract price of ethylene for August was fully settled at Eur1,135/mt (\$1,328/mt) FD NWE Tuesday, at a rollover from July. Ethylene supply in Europe is currently seen as long but tightness is seen on the horizon as at least two major cracker have scheduled maintenance during August. Platts ethylene contract price indicator (PEI) for September, based on the spot prices of feedstock naphtha and various co-products produced by steam crackers, was Eur1,137/mt FD NWE Tuesday. Front month ICE Brent crude futures dropped \$1.85 from Tuesday to be assessed at \$72.54/b at Platts 1630 London time close Wednesday and weighed on petrochemical prices.

#### Rationale

S&P Global Platts assessed HDPE injection spot at Eur1,175/mt, flat on the week, and within the Eur1,150-Eur1,300/mt range heard. Blowmolding and unimodal film spot prices were assessed at Eur1,195/mt and Eur1,190/mt respectively, both flat on the week, and in line with injection grade. Contract prices for all HDPE grades were flat in sync with feedstock ethylene's CP settlement for August at a rollover.

### Africa & Turkey

- **Turkish market bearish**
- **Weak buying in Africa**

Polyethylene prices in the Turkish market remained under downward pressure in the week as the weakness of the Turkish lira against the US dollar and wider economic concerns continued to weigh on the market. The bearish sentiment seen in the market in previous weeks remains, while buying activity was heard to be increasingly limited. CFR Turkey LDPE spot prices were assessed flat on the week at \$1,150/mt, resisting the downwards pressure felt across the market, while CFR

Turkey LLDPE spot prices were assessed down \$20/mt on the week to \$1,120/mt. CFR Turkey HDPE spot prices also declined in the week, with HDPE film spot prices assessed down \$20/mt on the week to \$1,270/mt CFR Turkey. Although a lack of buying activity was also heard on the African PE markets, this was attributed in part to expected seasonal trends and while CFR West Africa LLDPE spot prices were assessed down \$10 on the week to \$1,130/mt, other PE prices in West Africa remained broadly stable in the week. CFR West Africa LDPE spot prices were assessed flat on the week at \$1,250/mt, while CFR West Africa HDPE film spot prices were assessed unchanged on the week at \$1,320/mt.

#### Rationale

S&P Global Platts assessed CFR Turkey LDPE spot prices flat on the week at \$1,150/mt, the most repeatable level within a range heard at \$1,120-\$1,170/mt. CFR Turkey LLDPE spot prices were assessed down \$20 on the week to \$1,120/mt in a range heard pegged at \$1,100-\$1,140/mt. CFR Turkey HDPE spot prices were assessed down \$20 on the week, with HDPE injection assessed down \$20/mt to \$1,170/mt in a range of \$1,160-\$1,190/mt, HDPE blow molding assessed down \$20 to \$1,250/mt in a range heard at \$1,240-\$1,270/mt and HDPE film assessed down \$20 to \$1,270/mt in a range heard at \$1,260-1,290/mt. CFR West Africa LDPE was assessed flat at \$1,250/mt, the most repeatable level in a range heard pegged at \$1,200-\$1,280/mt, while CFR West Africa LLDPE was assessed down \$10 at \$1,130/mt in a range heard at \$1,120-\$1,140/mt. CFR West Africa HDPE spot prices were assessed stable on the week with HDPE injection flat at \$1,280/mt, HDPE blow molding flat at \$1,300/mt, the bottom of a range heard at \$1,300-\$1,320/mt, and HDPE injection grade heard flat at \$1,320/mt within a range heard at \$1,300-\$1,350/mt. CFR North Africa LDPE spot prices were assessed flat at \$1,240/mt in line with stability in West Africa. CFR North Africa LLDPE spot prices were assessed down \$10 at \$1,110/mt, in line with a drop in CFR West Africa prices, and CFR North Africa HDPE spot prices were flat in line with stability in West Africa, with CFR North Africa HDPE injection, blow and film spot prices unchanged at \$1,230/mt, \$1,260/mt and \$1,280/mt respectively.

### United States

- **Demand, currency issues pressure prices**
- **Domestic buyers may eye decrease: sources**

US high density export prices were assessed mostly lower on the week, with market participants pushing for lower August levels amid slow demand in key export markets. Availability was heard improving for some grades, with sources noting that packaging warehouses in the Houston area have seen a significant uptick in volumes from traders and producers. HDPE blowmolding was assessed \$11/mt lower on the week at \$1,213-\$1,235/mt (55-56 cents/lb) FAS Houston, with sources pointing to hopper car pricing in the lower 50s cents/lb range on an FOB Houston basis. The FAS assessment includes additional fees, estimated at around 3 cents/lb to cover packaging and transportation to the port. HDPE injection was \$22/mt lower, assessed at \$1,102-\$1,124/mt (50-51 cents/lb) FAS Houston, with hopper car

pricing talked at in the high 40s cents/lb range. HDPE high-molecular weight film prices were stable at \$1,312-\$1,334/mt (59.5-60.5 cents/lb) FAS Houston based on hopper car indications in the high 50s cents/lb range, maintaining decreases seen in late July. The mostly lower prices come as exporters contend with weak demand and currency devaluation in several key markets. Pricing for resin designated for Asia was talked at a discount to more common levels for sales to Latin America. In the domestic market, there were additional calls for decreases, though producers are still poised to implement 3 cents/lb increases that have been on the table since March. Market participants were keeping a close eye on domestic buying, which has been relatively strong in recent months. While some sources said buying was likely to remain strong as the US Gulf enters peak hurricane season, other sources have suggested the surge from larger converters would probably start to slow as their top priority was to manufacture a surplus of finished goods heading into the second part of Q3. Sources noted that demand for HDPE film has picked up, due in part to potential tariffs on finished goods made from the resin. Domestic pricing was assessed Wednesday at 66.5-67.5 cents/lb (\$1,466-\$1,488/mt) delivered rail-car basis for blowmolding, 66.5-67.5 cents/lb (\$1,466-\$1,488/mt) for injection, and 69.5-70.5 cents/lb (\$1,532-\$1,554/mt) for film, all unchanged from July's rollover assessments. Upstream, sources were expecting July ethylene contracts to move higher, with a buyer source noting that negotiations appeared to be closing in on an increase of 1.25 cents/lb from June, which would put the contract price to 27.75 cents/lb if fully accepted at that level.

### Rationale

HDPE blowmolding was assessed Wednesday at \$1,213-\$1,235/mt (55-56 cents/lb) FAS Houston, down \$11/mt week on week. The assessment was based on pricing indications at 52-53 cent/lb for material on an FOB Houston rail-car basis and adding bagging and transportation-to-port costs, which are estimated at 3 cents/lb. HDPE film was assessed stable at \$1,312-\$1,334/mt (59.5-60.5 cents/lb) FAS Houston, based on rail-car pricing indications at 57 cent/lb on an FOB Houston basis. HDPE injection was assessed \$22/mt lower at \$1,102-\$1,124/mt (50-51 cents/lb) FAS Houston, based on rail-car pricing indications at 47-48 cents/lb on an FOB Houston basis. Domestic contracts were assessed stable following a July rollover. Contracts were assessed at 66.5-67.5 cents/lb (\$1,466-\$1,488/mt) delivered rail-car basis for blowmolding, 66.5-67.5 cents/lb (\$1,466-\$1,488/mt) for injection, and 69.5-70.5 cents/lb (\$1,532-\$1,554/mt) for film, based on indications in line with stable pricing.

### Asia

- **China's Yanchang ramps up production at new unit**
- **End-users try negotiating fixed forward exchange**

Asian high density polyethylene was mostly weak this week amid the seasonal lull, while all eyes were on the impending impact of the US-China trade war. While the US wanted to impose import tariffs of Chinese HDPE exports to the US, sources pointed out that the amount

of HDPE imports were low, at less than 1.7 million mt in 2017. Some end-users in China were heard negotiating with sellers for a fixed, forward yuan exchange with the US dollar, so as to lock in their purchasing costs. The yuan had fallen almost 5%-10% against the US dollar since June, traders pointed out. While most of the buying activity was centered on Indonesia and Pakistan, majority of cargoes from Southeast Asia were staying within the region because of favorable ASEAN tariffs, traders said. In plant news, China's Yanchang Yulin is ramping up production at its new 450,000 mt/year polyethylene plant at Shaanxi province, after starting up those units in June, a source close to the company said. Market participants said it was typical for plant commissioning to take several months, adding that the polymer markets have been weak.

### Rationale

Dutiable unimodal film grade HDPE with a melt flow index of 0.07-0.18 was assessed lower by \$5/mt week on week at \$1,305/mt CFR Far East Asia Wednesday, taking into account discussions of Qatari cargoes at \$1,300-\$1,320/mt CFR China. Injection grade was assessed down \$10/mt at \$1,180/mt CFR Far East Asia, tracking discussions at \$1,170-\$1,190/mt CFR while HDPE blow molding was lower by \$10/mt at \$1,300/mt CFR Far East Asia on weak demand. Yarn grade was assessed at \$1,290/mt CFR Far East Asia, down \$25/mt, below an offer heard at \$1,300/mt CFR Far East Asia.

### Latin America

- **Plastic bag laws could hurt WCSA demand: sources**
- **Brazil buyers expecting lower August prices**

High-density film pricing for spot import cargoes was stable to lower this week in key South American markets, with demand talked softening as availability improved for buyers seeking US-origin resins, sources said. Along South America's Pacific Coast, spot pricing for HDPE film remained stable at \$1405-1415/mt CFR West Coast South America although demand has been trending stable to lower amid expectations on pending regulations approval towards to decrease the use of plastic bags. Some participants believe the price has been settle in a floor, however others suggest that it will continue to fall as demand will shrink after regulations approval. These price expectations put buyer's interest on hold. In Colombia, buyer's interest was showing moderate appetite amid high inventories but those willing to buy found traders in a hurry to close deals. In Brazil, HDPE film pricing fell \$25/mt this week to close at \$1,375-\$1,385/mt CFR, with resins from the US priced in that range on improved supply. Demand in Brazil has been hurt by seasonal shutdowns typically seen in the South American winter months, sources said, adding that expectations for lower August pricing could see some converters ramp up production sooner than expected. Brazilian domestic pricing fell Real200/mt (around \$53/mt) this week on pressure from import pricing and a relatively stable local currency, sources said. Brazilian export pricing held stable for all grades of HDPE, with Mercosur distributors expecting lower pricing this month on pressure from import markets. In Argentina, HDPE film pricing fell \$20/mt this week on lower import

pricing and sustained soft demand, sources said. Buy interest in Argentina has been hampered by difficulty obtaining credit and fear that the local currency will continue to weaken, sources said, adding that deals are typically for volumes to cover a week of production. In Mexico, HDPE prices were stable to lower in Mexico, with buyers pushing for additional reductions amid growing availability from the US and slow demand. The talk of better access to import material comes as one local producer — Pemex — reported a reduction in June polyethylene production due to feedstock constraints and weather-related outages. Pemex saw HDPE output fall to 4,761 mt in June, down 879 mt (15.6%) month on month.

### Rationale

CFR WCSA: Spot HDPE film stable week on week, assessed Wednesday at \$1,405-1,415/mt CFR West Coast South America, based on pricing indications range at \$1,405-1,415/mt CFR. CFR Brazil: Spot HDPE fell \$25/mt to \$1,375-\$1,385/mt CFR Brazil, based on trading levels talked between \$1,380-\$1,390/mt. The assessment was made at the lower end of the range to account for demand, availability and currency devaluation. FOT Brazil: Spot HDPE film held stable at \$1,360-\$1,370/mt, based on Brazilian resin trading between \$1,480-\$1,490/mt CPT Paraguay. The assessment was at the midpoint of the range and deducts \$120/mt for inland freight.

## POLYPROPYLENE

### Europe

- Propylene August CP settles at Eur1040/mt
- Weak demand in Europe

The European homo injection polypropylene spot price was assessed Wednesday at Eur1,260/mt, with the European copol spot price at Eur1,310/mt, unchanged week on week. Sources said demand in Europe was weaker due to the holiday season, and that they were not expecting any change until September. In upstream markets, the European propylene contract price for August settled Tuesday at Eur1,040/mt FD NWE, up Eur8 from July, market sources said. A small increase was expected by industry sources due to tightness in the propylene market following a reduction in cracker run rates due to hot weather in Northwest Europe and unplanned turnarounds.

“Polypropylene supply is good at the moment, propylene is the problem,” a source said. Industry sources said polypropylene producers could ask for a small increase in August prices following strength in the propylene market. “Producers will try to get the margins right, but buyers will be more likely to accept a rollover as demand is always weak in August,” the source said. In exports, several sources said producers were eyeing opportunities in the US and Latin America due to weak demand in Europe.

### Rationale

S&P Global Platts assessed spot polypropylene prices at Eur1,260/mt FD NWE for homo polymer and at Eur1,310/mt for co-polymer, stable on

week. Homo polymer was heard pegged between Eur1,240/mt and Eur1,300/mt, with copol heard between Eur1290/mt to Eur1,310/mt. Platts assessed PP homo at Eur1,260/mt and PP copol at a Eur50 premium to homo as they were seen more repeatable. In contract prices, Platts assessed unchanged on week at Eur1430/mt for PP homo and Eur1480/mt for PP copol, in line with one indication.

## Africa & Turkey

- Turkish market bearish
- Lull in demand in Africa

Turkish polypropylene prices have fallen further as bearish sentiment grips the market. The continuing weakness of the Turkish lira against the dollar, inflation and wider economic uncertainty are generating bearish sentiment across the Turkish polymer markets, with buying in the Turkish PP market limited over the week. CFR Turkey PP raffia spot prices were assessed down \$10 on the week to \$1,250/mt, while CFR Turkey PP copolymer spot prices were assessed down \$20 at \$1,320/mt. According to the Turkish statistics agency Turkstat, in June imports of PP into Turkey rose by 3.15% year on year to 133,552 mt, despite the bearish sentiment. Saudi Arabia strengthened its position as the largest exporter of PP to Turkey, with over 46,951 mt of PP from Saudi Arabia arriving in Turkey in June, compared with just over 34,310 mt in June 2017. The African PP markets were also facing downward pressure from weak buying interest. A trader said that this lull was in line with seasonal trends, adding that no pick-up in demand was expected until late August at the earliest. CFR West Africa PP raffia spot prices were assessed down \$10 on the week to \$1,310/mt, while CFR West Africa PP copolymer spot prices were assessed down \$20 on the week to \$1,350/mt.

### Rationale

S&P Global Platts assessed CFR Turkey PP raffia spot prices down \$10 on the week at \$1,250/mt, the most repeatable level within a range heard of \$1,250-\$1,260/mt. CFR Turkey PP copolymer spot prices were assessed down \$20 on the week to \$1,320/mt within a range heard at \$1,300-\$1,340/mt. CFR West Africa PP raffia spot prices were assessed down \$10/mt on the week to \$1,310/mt within a range heard at \$1,300-\$1,320/mt, while CFR West Africa PP copolymer spot prices were assessed down \$20 on the week at \$1,350/mt at the bottom of a range heard at \$1,350-\$1,360/mt. CFR North Africa PP raffia spot prices were assessed down \$10, in line with the decreases seen in Turkey and West Africa, to \$1,280/mt. CFR North Africa PP copolymer spot prices were assessed down \$20, in line with drops in Turkey and West Africa, to \$1,310/mt.

## United States

- Market keeping close eye on spot PGP
- Spot volumes remain limited: sources

US polypropylene market participants entered August with talk of continued tight supply and firming monomer pricing that was prompting further uncertainty in a market that saw prices roll over

last month despite expectations for a decrease by many buyers. Domestic contracts were assessed Wednesday at 76.50-77.50 cents/lb (\$1,687-\$1,709/mt) rail-car basis for homopolymer injection grades, stable on the week, and holding at a 3 1/2 year high, as a number of contracts in the US remain on a monomer-plus basis. Contract assessments rose by a combined 15 cents/lb in May and June through a combination of propylene price increases and margin expansions by polypropylene producers. Contracts remained steady in July following a rollover in polymer-grade propylene contracts despite early month expectations that called for a decrease of possibly 2-3 cents/lb. "It's been a wacky market for sure," a distributor source said. While there had been calls for additional decreases in August, sources said this week that it was hard to say how the market might react, particularly given firmness in upstream spot pricing. Spot PGP prices have moved up 2.75 cents/lb since July 24, the day before initial contract settlements were reached at a rollover, according to S&P Global Platts data. Prompt-month spot PGP was assessed Tuesday at 61 cents/lb FD USG. Filings with the Texas Commission on Environmental Quality showed propane dehydrogenation units operated by both Enterprise Products Partners and Flint Hills suffered unplanned outages and have been out of commission for much of the past week. Both were expected to restart this week, with market sources indicating Enterprise may have begun restart procedures late Tuesday and Flint Hills could start in the coming days. Neither company could immediately be reached for comment. The two issues have contributed to continued tightness in the monomer market, which was fueling talk that an August decrease could be difficult to achieve, even as run rates by polypropylene producers remain somewhat reduced due to a combination of high feedstock pricing and lingering production issues. Some buyers continue to be hold out as long as possible in anticipation that pricing will eventually move lower, sources said. Spot rail cars in the domestic market were limited, with sources indicating prime homopolymer cars would likely carry a premium of 19 cents/lb — or more — above PGP prices. Exports remain virtually non-existent, with pricing in the US well above global levels. Trader sources continue to look to other regions for material to move into Latin America, with sources noting rail cars of homopolymer would need to be cheaper than the current PGP contract price to be competitive beyond North America. Export homopolymer was assessed Wednesday at \$1,709-\$1,731/mt (77.5-78.5 cents/lb) FAS Houston, up \$23/mt week on week, based on notional pricing talked above PGP.

### Rationale

Export pricing was assessed Wednesday at \$1,709-\$1,731/mt (77.5-78.5 cents/lb) FAS Houston, up \$23/mt week on week, based on pricing talked at a 19-20 cent premium to PGP contracts, which last settled at 59 cents/lb for July. Co-polymer grades were assessed at \$1,775-\$1,797/mt (80.5-81.5 cents/lb) FAS Houston, also up \$23/mt, based on the premium to homopolymer talked at a minimum of 3 cents/lb. Domestic pricing was assessed stable ahead of August PGP contract negotiations at 76.50-77.50 cents/lb delivered rail car basis for homopolymer injection grades, maintaining an 18-cent premium over last settled feedstock PGP contracts.

## Asia

- **Bullish outlook from Sep on short supply**
- **S Korea's S-oil plans to start up new plant in Aug**

Asian polypropylene was softer this week on weak demand. There were few direct imports, with most local cargoes trucked to bonded warehouses by local OEM manufacturers with duty exemption licenses. The cost of logistics to bonded zones, reclaiming export rebates, then reimporting tax-free for OEM converters worked out to be less than direct imports, they said. In plant news, South Korea's S-Oil plans to start up its new 400,000 mt/year polypropylene unit around the middle of August, sources said. A company source was not immediately available for comment. However, Asia's PP market may strengthen in September as the region remains net short of an estimated 2 million mt/year. Southeast and South Asia were stronger in homopolymer demand requirements compared with China, sources said. Most producers also expected to sell more material to South Asia in the coming months, particularly Bangladesh, Pakistan and India, where import demand is estimated at a collective 1.4 million mt/year, up around 10% year on year, according to seller estimates.

### Rationale

Asian polypropylene of raffia grade was assessed down \$15/mt on the week at \$1,200/mt CFR Far East Asia Wednesday, based on trades done at \$1,200-1,220/mt CFR China. Raffia grade to Southeast Asia was assessed at \$1,230/mt CFR, down \$10/mt, following a deal done at the same level. Injection grade was assessed at \$1,220/mt CFR Southeast Asia, down \$10/mt, on a trade done at the same level. Isotactic PP was assessed \$15/mt lower on the week at \$1,210/mt CFR Far East Asia, based on a spread of \$10/mt from raffia. Biaxially oriented PP was assessed lower by \$5/mt week on week at \$1,220/mt CFR Far East Asia, based on a spread of \$20/mt from raffia. Block copolymer was assessed at \$1,240/mt CFR Far East Asia, unchanged on the week, based on a \$40/mt spread from raffia.

## Latin America

- **China best Asian option for WCSA buyers: source**
- **Brazil sees imports from Argentina up on currency**

Spot import pricing for polypropylene continued to trend lower this week as soft demand was met with lower offers for on-the-water cargoes, sources said. Along South America's Pacific Coast, PP homopolymer pricing fell \$15/mt week on week to close Wednesday at \$1,375-\$1,385/mt CFR West Coast South America, with resin from the Middle East, China and India priced in that range. Cargoes originating in Korea and Taiwan were deemed unworkable due to elevated pricing and extended transit time for cargoes yet to be shipped. Copolymer pricing also fell, closing \$10/mt lower at \$1,420-\$1,430/mt CFR WCSA, with a lack of offers from Argentina seen this week in Peru and Colombia, a source said. Demand for regionally produced PP homopolymer was heard waning due to weaker activity in the finished-goods market, a WCSA producer source said. In Brazil, PP

homopolymer and copolymer pricing fell in line with WCSA markets, closing on par at \$1,375-\$1,385/mt CFR and \$1,420-\$1,430/mt CFR, respectfully. Buying activity was improving only minimally as international offers fall, sources said, adding that buyers are looking for local producer Braskem's pricing strategy for August before committing to larger restocking volumes. Demand also continues to suffer due to elevated inland freight costs and logistical delays stemming from an independent truckers strike that crippled the region between May-June, sources said. Brazilian export pricing held stable this week at \$1,445-\$1,455/mt for homopolymer and \$1,505-\$1,515/mt for copolymer, with both assessments made on an FOT basis. Export pricing is expected to fall in August, pressured lower by weak domestic sales and falling global pricing, a Mercosur distributor said. Additionally, weaker currency throughout the region has been hurting import demand while also leading to more Brazilian importing of Argentina-origin PP, sources said. While both Mercosur members have seen their currencies weaken this year, Argentina's has been more pronounced, leading more exports to Brazil under a free-trade agreement, sources have said.

### Rationale

CFR WCSA: Spot homopolymer pricing fell \$15/mt week on week, assessed Wednesday at \$1,375-\$1,385/mt CFR West Coast South America, while spot copolymer fell \$10/mt over the same period to close at \$1,420-\$1,430/mt CFR. The assessments were based on trading levels talked within those ranges. CFR Brazil: Spot homopolymer pricing fell \$15/mt to \$1,375-\$1,385/mt CFR, while spot copolymer fell \$10/mt over the same period to close at \$1,420-\$1,430/mt CFR. The assessments were based on trading levels talked within those ranges. FOT Brazil: Spot homopolymer held stable at \$1,445-\$1,455/mt FOT, while spot copolymer held at \$1,505-\$1,515/mt. The assessments were made based on CPT Paraguay trading levels at \$1,570/mt for homopolymer and \$1,630/mt for copolymer, with each deducting \$120/mt to account for inland freight, per market feedback.

## POLYSTYRENE

### Europe

- Sporadic GPPS import offers heard
- Demand dampened by holiday season

Trading in the polystyrene market in Europe was quiet this week as market participants awaited the European August styrene contract price settlement. Although the styrene settlement is typically agreed on the first working day of the month, it has been postponed to Thursday due to the Swiss National Day public holiday on Wednesday. In July the GPPS net contract price was assessed at Eur1,435/mt FD NWE, down Eur50 from the end of June, and tracking the full styrene monomer move. Sources had said that demand had disappointed, with some saying that they expected demand to have fallen year on year. Looking to August, a converter source said Wednesday he did not expect producers to grow their margins due

to slowing demand this month. A second converter source said previously that August volumes are typically 60% of other months due to the holiday season. Expectations for the August styrene contract price have been mixed. Sources said in mid-July that they expected a fall. However, the uptick in styrene spot prices in the past week has led to expectations turning slightly bullish. In the GPPS spot market, import offers from South Korea were heard this week. Import offers had largely been uncompetitive in the past two months due to a closed import arbitrage from Asia. However, with the restart of Egypt's E-styrenics last month, more quotes are expected in the coming weeks, sources said.

### Rationale

S&P Global Platts assessed the GPPS, HIPS and EPS net contract prices at Eur1,435/mt, Eur1,525/mt and Eur1,765/mt FD NWE Wednesday, respectively, all unchanged on the week and on the month as the market awaited the styrene August contract settlement. The GPPS spot price was assessed at Eur1,350/mt FD NWE Wednesday, unchanged on the week, within pegs of Eur1,325-Eur1,500/mt heard amid unchanged fundamentals. HIPS and EPS spot were assessed unchanged on the week at Eur1,435/mt and Eur1,720/mt FD NWE Wednesday, respectively, tracking stable GPPS spot.

### Africa & Turkey

- Limited buying interest
- Weak lira underlines bearish sentiment

The weakness of the Turkish lira against the dollar continues to underpin bearish sentiment in the Turkish polymers market. CFR Turkey general purpose spot prices were assessed flat on the week at \$1,460/mt, while CFR Turkey HIPS spot prices were assessed flat on the week at \$1,510/mt, but the market was quiet, as buyers remained on the sidelines. There was also a lack of buying interest in the African polymers markets. CFR North Africa GPPS was assessed flat on the week at \$1,460/mt, while CFR North Africa HIPS was also assessed stable at \$1,510/mt. In June, imports of PS in primary forms, excluding expandable PS, into Turkey fell 16.7% year on year to 18,460 mt, according to data from Turkish statistics agency Turkstat. Belgium remained the largest exporter of polystyrene to Turkey on 5,944 mt, down from 7,072 mt in June 2017. Turkey is the EU's largest export market.

### Rationale

S&P Global Platts assessed CFR Turkey GPPS spot prices flat on the week at \$1,460/mt in line with a peg at \$1,460/mt CFR Turkey but below a peg of \$1,500/mt CPT Turkey for material from Iran. CFR Turkey HIPS spot prices were assessed flat on the week at \$1,510/mt in line with a peg heard at that level but below a CPT Turkey peg of \$1,556/mt for material from Iran. CFR Turkey EPS spot prices were flat at \$1,510/mt in line with HIPS prices. CFR North Africa GPPS spot prices were assessed flat in line with Turkey at \$1,460/mt, while CFR North Africa HIPS spot prices were assessed unchanged on the week at \$1,510/mt, in line with stability in the Turkish market.

## United States

- **Feedstock pricing trending higher**
- **Tariffs weigh on demand**

US spot polystyrene pricing was heard stable on the week as feedstock prices appeared to be trending higher. US styrene prices showed signs of rebounding after spot values gained near \$30/mt on the week with pricing heard as high as \$1,270/mt FOB USG. This follows gains in the August benzene contract price, which rose 4 cents to 288 cents/gal. Sources in the styrene market said that availability was curtailed amid recent exports and previous styrene production issues. Meanwhile polystyrene demand was characterized as stable this week and no supply issues were heard. Despite gains in feedstocks, some sources posited that pricing could come down in September amid softer demand associated with ongoing tariffs and the trade war with China. General-purpose values were assessed this week at \$1,435/mt (65 cents/lb) FAS Houston, while high-impact polystyrene was assessed at \$1,521/mt (69 cents/lb) FAS Houston. Domestic pricing was also level on the week and the general purpose price was assessed this week at 95 cents/lb (\$2,094/mt) while the HIPS assessment was at 104 cents/lb (\$2,293/mt) delivered rail car. Overseas, CFR China polystyrene prices were steady on the week and the GPPS and HIPS assessments closed \$1,480 and \$1,580/mt, respectively.

### Rationale

Spot export polystyrene pricing was assessed at \$1,435/mt (65 cents/lb) FAS Houston, while the HIPS assessment was at \$1,521/mt (69 cents/lb) FAS Houston, based on pricing indications at the assessed level. US domestic polystyrene for general-purpose polystyrene was assessed at 95 cents/lb (\$2,094/mt) delivered rail-car while high-impact resin closed at 104 cents/lb (\$2,293/mt) delivered rail car amid indications at the assessed levels.

## Asia

- **Offers stable despite rising feedstock costs**
- **Demand from downstream end-users weak**

Asian polystyrene prices were assessed unchanged this week, as producers noted weak demand despite rising feedstock costs. Sellers said Wednesday that despite the initial expectation that producers would raise listed prices on the back of an increase in feedstock styrene costs, producers did not raise offers citing weak demand. Demand from downstream end-users was heard weak, and producers were hesitant to increase offers. Styrene was assessed up \$23.50/mt on the week at \$1,427/mt CFR China Wednesday. While producers were initially heard hopeful that prices for August cargoes would continue to rebound on seasonal pickup in plastics demand ahead of the week-long National Day holidays in China in October, a seller noted that demand for polystyrene was typically stable throughout the year. Polystyrene is used mostly in packaging and disposable utensils, sources said. Offers for general-purpose

polystyrene were heard stable week on week at \$1,480-\$1,500/mt CFR China, while listed offers were also stable at \$1,540/mt CFR China. As a result, tradable indications were heard likewise stable at \$1,480/mt CFR China. Expandable polystyrene offers were also heard stable week on week, with a tradable indication heard at \$1,550/mt CFR China.

### Rationale

GPPS was assessed unchanged week on week at \$1,480/mt CFR China Wednesday, below offers heard at \$1,480-\$1,540/mt CFR China, and at tradable indications heard at \$1,480/mt CFR China Wednesday. The Southeast Asia marker was assessed unchanged over the same period at \$1,500/mt, tracking CFR China amid thin trade. HIPS was assessed unchanged at \$1,580/mt CFR China, below an offer seen at \$1,600/mt CFR China, with tradable indications heard at \$1,580/mt CFR China. The CFR Southeast Asia marker was also assessed unchanged at \$1,600/mt. EPS was assessed unchanged at \$1,550/mt FOB Northeast Asia, with a tradable indication heard at the same level, while flame retardant grade was assessed stable at \$1,590/mt FOB Northeast Asia, amid thin trading.

## ACRYLONITRILE BUTADIENE STYRENE

## Europe

- **Styrene spot rises on the week**
- **ACN market tight**

The acrylonitrile butadiene styrene contract and spot prices were assessed unchanged on the week at Eur1,890/mt and Eur1,830/mt FD NWE Wednesday respectively. The market awaited the settlement of feedstock styrene for price direction in August. The August styrene contract price typically settles on the first working day of the month, but was delayed to Thursday this month due to the Swiss National Day public holiday. Mid-July, expectations for the styrene contract price were bearish due to the fall in spot prices. However, the uptick in spot prices in the past month turned expectations slightly bullish. The FOB ARA spot price was assessed at \$1,318/mt, up from \$1,291/mt last Wednesday. The butadiene contract price settled last week at a rollover at Eur1,125/mt. In other feedstock news, the acrylonitrile spot price rose \$50 on the week to \$2,050/mt CIF ARA on Tuesday due to tight supply. In August, ABS demand is expected to go into a seasonal lull, with a seller saying demand had already begun to slow in July.

### Rationale

S&P Global Platts assessed the ABS contract price at Eur1,890/mt FD NWE Wednesday, unchanged on the week as the market awaited the August styrene contract price settlement. ABS spot was assessed unchanged at Eur1,830/mt FD NWE Wednesday, unchanged on the week due to a lack of fresh indications. The CFR NWE price was assessed at \$2,055/mt, up \$5, tracking the \$5/mt increase in the CFR China price.

## United States

- **ACN prices breach 75-month highs**
- **End use markets heard weaker**

US acrylonitrile-butadiene-styrene pricing continued to see support this week from stronger feedstock markets. Acrylonitrile pricing extended gains on the back of strong domestic demand, breaching a 75-month high this week at \$2,110-\$2,130/mt FOB USG. Sources expected continued price support following the rollover of US propylene contracts. Additionally, US styrene, which constitutes the largest portion of ABS, appeared to be moving higher in line with global pricing. August spot styrene values were heard as high as \$1,270/mt Wednesday, up near \$30 on the week. Butadiene contracts were likely to rise as well with nominations heard flat to up 3 cents. Demand remained tenuous as end use markets continued to see lower automotive and appliance sales in recent weeks as well, amid the ongoing trade war with China. US delivered acrylonitrile-butadiene-styrene prices were assessed unchanged at 107-109 cents/lb (\$2,359-\$2,404/mt).

### Rationale

US acrylonitrile-butadiene-styrene was assessed Wednesday at 107-109 cents/lb (\$2,359-\$2,404/mt) delivered rail car, flat on the week, based on pricing indications at the assessed level and considering stronger feedstock pricing offsetting weaker demand.

## Asia

- **CFR China, CFR SEA cargoes draw selling interest**
- **Demand from end-users stays weak**

Asian acrylonitrile-butadiene-styrene was assessed \$5/mt higher week on week at \$1,930/mt CFR China and \$1,945/mt CFR Southeast Asia Wednesday, amid rising feedstock costs of acrylonitrile and styrene monomer. SM was assessed up \$23.50/mt on the week at \$1,427/mt CFR China Wednesday, while butadiene was up \$5/mt on the day at \$1,675/mt FOB Korea. "Demand for ABS is low because there are not enough buyers and cost of upstream production is higher now," an East Asian producer said Wednesday. Sell indications were heard as \$1,940-\$1,970/mt CFR China, against no buying interest. Selling interest for CFR SEA cargoes were heard at \$1,950-1,970/mt.

### Rationale

ABS was assessed \$5/mt higher on the week to \$1,930/mt CFR China and \$1,945/mt CFR SEA Wednesday, amid rising feedstock costs of acrylonitrile and styrene. The CFR China marker was assessed at \$1,930/mt Wednesday, below the best offers heard at \$1,950/mt CFR China Wednesday. The CFR SEA marker was assessed at \$1,945/mt Wednesday, below an offer heard at \$1,950-1,970/mt CFR SEA Wednesday.

## POLYETHYLENE TEREPHTHALATE

### Europe

- **Greater supply pushes down virgin prices**
- **Demand for R-PET strong**

European polyethylene terephthalate prices continued to slip this week. Greater supply of both PET and upstream PTA caused PET prices to drop Eur5 on the week to be assessed at Eur1,345/mt FD NWE. However given the holiday season trading was thin. Seasonal demand has been dropping of late with the traditional high season coming to a close. R-PET: European recycled polyethylene terephthalate prices dropped Eur10 on the week to Eur1,030/mt Wednesday FD NWE. Recycled PET prices continue to hold up even though virgin resin has dropped in price. "Demand still good for R-PET overall," a recycler said. Feedstock post-consumer baled bottle prices rose in Italy, with one producer reporting R-PET prices of Eur1,150/mt. There has been investment in European R-PET recyclers this week, with Indorama an international petrochemical producer purchasing French Sorepla and Faerch plast a European food packaging company purchasing Dutch 4PET Group. The purchases are not unexpected given the growing focus on recycling and sustainability and the expected growth in the industry, a recycler said.

### Rationale

S&P Global Platts assessed spot PET delivered 3-30 days forward down GBP3 at GBP1,205/mt FD UK Wednesday assessed in line with an indication heard at this level. The FD NWE price was assessed at Eur1,345/mt down Eur5 on the week in a falling market and with movements in the UK market. Net contract prices for NWE were flat at Eur1,320/mt FD NWE on a lack of fresh indication. Net UK contract prices were assessed at GBP1,178/mt, stable on the week in line Europe. R-PET in Europe was assessed at Eur1,050/mt FD NWE, in line with indications in the range Eur1,000-Eur1,050/mt and in line with market feedback. R-PET in the UK was assessed stable at GBP921/mt FD UK, down GBP9 on the week in line with European R-PET.

### United States

- **PTA settles at 50.03 cents/lb**
- **One producer looking for 3 cent increase**

US PET fundamentals remained strong this week amid continued healthy demand and constraints in the North American PTA market. Sources said those factors supported pricing and at least one producer was heard looking to impose a 3-cent price increase for August. A second producer mulled a similar increase though no further announcements were heard at time of publication. Sources characterized demand as strong, with this dynamic expected to persist through August and possibly into September. Additionally inventories were said to be tight. Upstream PTA supply remained extremely tight. Sources said that BP had yet to lift its allocation at Cooper River,

though it was expected to be lifted in the next week or two. Confirmation from BP was unavailable at time of publication. Related to feedstock pricing, PTA contracts were heard settled at 50.04 cents/lb though confirmation was not immediately available. US PX contracts were heard to have rolled over this week at 50.75 cents/lb. Domestic PET pricing was assessed at \$1,785-\$1,807/mt (81-82 cents/lb) while import pricing closed Wednesday at \$1,807-\$1,829/mt (82-83 cents/lb). In Asia, PET prices were flat to lower with the SE Asia assessment falling \$10 to \$1,340/mt while the NE Asian assessment was level at \$1,250/mt.

### Rationale

US polyethylene terephthalate was assessed Wednesday at \$1,807-1,829/mt (82-83 cents/lb) DDP US West Coast on pricing indications last heard in the low to mid-80s cents/lb. Domestic PET contract prices were unchanged on the week, assessed at \$1,785-\$1,807/mt (81-82 cents/lb) based on indications at the assessed level.

## Asia

- **China's Sanfangxiang plans Sep turnaround**
- **PTA rises \$22/mt on week, MEG jumps \$31/mt**

Buoyed by a firmer upstream market, Asian polyethylene terephthalate prices managed to hold firm for the first time in nearly two months, with the FOB Northeast Asia marker assessed unchanged week on

week at \$1,250/mt FOB Northeast Asia. Over the same period, purified terephthalic acid rose \$22/mt to \$870/mt CFR China, while the monoethylene glycol CFR China marker was \$31/mt higher at \$932/mt. "The higher feedstock costs means that we can no longer lower our offers to the market, which is why the offer levels remain quite stable from the previous week," a Chinese producer said. Cargoes for September loading from East China were heard at a tradable range of \$1,250/mt FOB East China. September will also see Chinese producer Sanfangxiang shut its 500,000 mt/year PET plant at Jiangyin for 10-14 days, according to a company source, although the exact turnaround dates have not yet been finalized. In Southeast Asia, expectations of new supply dampened sentiment, with producers in Thailand lowering offers to \$1,350-\$1,375/mt against buying interest at \$1,300/mt. "Unfortunately, the domestic prices in Thailand have fallen this week slightly to Baht 45.50/kg, and this is something of a correction given the very high spread from Northeast Asia prices," a Thai producer said.

### Rationale

PET was assessed unchanged week on week at \$1,250/mt FOB Northeast Asia Wednesday. The marker was assessed at tradable levels heard at \$1,250/mt FOB East China, and taking into consideration a firming upstream market. The FOB Southeast Asia marker was assessed at \$1,340/mt, \$10/mt lower week on week below selling ideas from producers heard at \$1,350-\$1,375/mt, with buying interest heard at \$1,300/mt. The spread between the FOB Southeast Asia and FOB Northeast Asia markers narrowed \$10/mt over the week to \$90/mt.



## POLYMER FEEDSTOCKS: OLEFINS

## POLYMER FEEDSTOCKS – ETHYLENE

## Europe

	Spot Friday	Weekly Average
FD NWE (Eur/mt)	1035.50-1040.50	1034.800-1039.800
CIF NWE (\$/mt)	1207.00-1212.00	1208.700-1213.700
CIF MED (\$/mt)	1207.00-1212.00	–

Monthly Contract Price (Jul): 1135.00-1135.00 FD NWE (Eur/mt)

## US (¢/lb)

	Spot Friday	Weekly Average
FD USG M1 JUL	13.750-14.250	14.100-14.550
FD USG M2 AUG	14.000-14.500	14.400-14.900

Net Contract Price (July): NA-NA Delivered

## Asia (\$/mt)

	Spot Friday	Weekly Average
FOB Korea	1339-1341	–
CFR SE Asia	1244-1246	1249.0-1251.0
CFR NE Asia	1359-1361	1365.0-1367.0

Asian ethylene spot assessments reflect LC 0-30 days. CFR SEA = CFR Indonesia/Thailand.

## POLYMER FEEDSTOCKS – PROPYLENE

## Europe (Eur/mt)

Poly Grade	Spot Friday	Weekly Average
FD NWE	1074.00-1079.00	1076.300-1081.300
CIF NWE	1074.00-1079.00	1076.300-1081.300
Chem Grade	Spot Friday	Weekly Average
FD NWE	1054.00-1058.00	–
CIF NWE	1024.00-1028.00	–

Poly Grade Monthly Contract Price (Jul): 1032.00-1032.00

## US (¢/lb)

	Spot Friday dlvd USG	Weekly Average dlvd USG
Poly Grade M1 JUL	60.750-61.250	59.650-60.150
Poly Grade M2 AUG	60.500-61.000	59.300-59.800
Ref Grade	44.250-44.750	43.550-44.050

Poly Grade Contract Price (July): 59.000-59.000 Delivered

Chem Grade Contract Price (July): 57.500-57.500 Delivered

## Asia (\$/mt)

	Spot Friday	Weekly Average
FOB Korea	1059-1061	1059.0-1061.0
CFR Taiwan	1079-1081	–
CFR SE Asia	989-991	–
FOB Japan	1039-1041	–
CFR China	1079-1081	1081.00-1083.00

Asian ethylene spot assessments reflect LC 0-30 days. CFR SEA = CFR Indonesia/Thailand.

## POLYMER FEEDSTOCKS – ETHYLENE GLYCOL ASSESSMENTS

## Europe

	Spot Friday
FCA NWE T2 (Eur/mt)	898.00-902.00
FD NWE T2 (Eur/mt)	928.00-932.00
CIF NWE T2 (Eur/mt)	878.00-882.00
CIF NWE T2 (\$/mt)	1024.00-1028.00

Monthly Contract Price (Jul) – (Eur/mt) NA-NA

## POLYMER FEEDSTOCKS – ETHYLENE GLYCOL ASSESSMENTS (cont)

## US (¢/lb)

	Spot Friday
FOB USG A/F*	41.00-42.00

Fiber Grade Monthly Contract Price (July): 45.80-46.30 FOB USG

## Asia (\$/mt)

	Spot Friday	Weekly Average
CFR China	923-925	908.0-910.0
CFR SE Asia	953-955 (1)	–

MEG CP Nomination (JUL) – CFR Asia

MEGlobal: 1150 Sabic: 1105 Shell: 1080

(1) CFR SE Asia = CFR Indonesia. Note: \*A/F denotes anti-freeze grade Asian ethylene glycol assessments are basis L/C 90 days.

## POLYMER FEEDSTOCKS – BUTADIENE

## Europe

	Spot Friday	Weekly Average
FD NWE (Eur/mt)	1248.00-1252.00	1248.000-1252.000
FOB Rdam (\$/mt)	1448.00-1452.00	1448.000-1452.000

Butadiene Monthly Contract FD NWE JUL: 1125.00-1125.00 (Eur/mt)

## US (¢/lb)

	Spot Friday
CIF USG	72.00-73.00

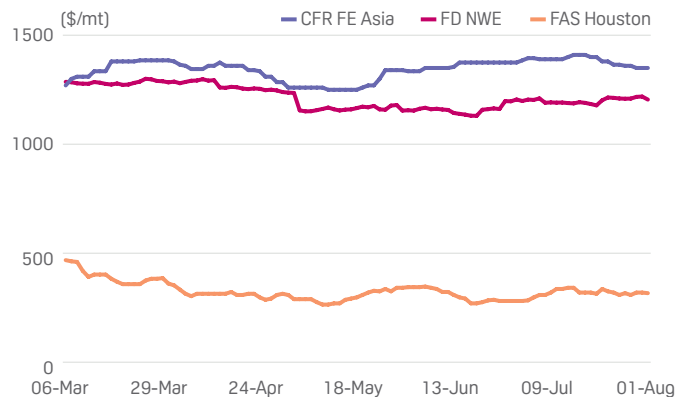
Monthly Contract Price (July) 70.00-74.00

## Asia (\$/mt)

	Spot Friday	Weekly Average
FOB Korea	1659-1661	1675.00-1677.00
CFR Taiwan	1654-1656	–
CFR SE Asia	1609-1611 (1)	–
CFR China	1619-1621	1631.00-1633.00

(1) CFR SE Asia = CFR Indonesia. \*A/F denotes anti-freeze grade.

## PLATTS GLOBAL ETHYLENE PRICES



Notes: All olefin prices reflect assessments at close of previous Friday.

## ETHYLENE

### Europe

- **Spot assessed at Eur1,038/mt FD**
- **CP for August yet to settle**

S&P Global Platts assessed the 3-30 day forward FD NWE ethylene spot price at Eur1,038/mt Friday, up Eur11.50 on the week. The discount to the monthly contract price was assessed at 9%, narrower from the last week's 10%. The market awaited August settlement of ethylene through this week but some of the negotiators were of the view that the product may only settle only by next Tuesday. Supply was heard a shade tighter and trade sources pegged the spot product at 9-11% discount to contract. Supply was expected to turn tighter in the coming weeks as more crackers undergo maintenances. BP will conduct a month-long maintenance 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 last Friday. The cracker can produce 544,000 mt/year of ethylene which is about 2% of European capacity. The company did not specify exact dates. Indications were mixed from downstream products. Downstream monoethylene glycol was flat this week to be assessed at Eur900/mt FD NWE. Downstream polyethylene prices dropped Eur20 for a wide array of grades and weighed in on ethylene.

#### Rationale

S&P Global Platts assessed the 3-30 day forward FD NWE ethylene spot price discount to the contract price at 9%, narrowing 1% week on week but flat from Thursday. The assessment was made at the lower end of 9-11% range heard in the market. As a result of narrowing the discount, the outright price assessment stood at Eur1,038/mt FD NWE, up Eur11.50 on the week.

### Americas

- **ExxonMobil starts Baytown cracker**
- **Pemex sees lowest output since Feb**

The US ethylene market saw a slight drop Friday as participants continued to digest Thursday's announcement of a much anticipated startup of a worldscale cracker. US ethylene for prompt-month delivery was assessed Friday at 13.75-14.25 cents/lb FD USG, down 1.25 cents on the week and 0.375 cent on the day. The forward month was assessed at 14-14.50 cents/lb FD USG, down 1.75 cents on the week and 0.375 cent on the day. A trade for July ethylene for the Mont Belvieu Nova hub was heard done at 14.25 cents/lb and then later at 14 cents/lb. A July vs September deal was done at a 1.125-cent contango Mont Belvieu basis. Trading activity picked up after Thursday's lull, which sources attributed to participants holding out for others to make the first deals following the cracker news. ExxonMobil announced Thursday that it has started up its new 1.5 million mt/year steam cracker near Baytown, Texas. US ethylene

market participants have been awaiting the news of on-spec production since mid-June when talk of an imminent startup emerged. Spot prices inched up on Thursday following the news but saw bearish movements over the week amid talk surrounding the nearing startup. In contracts, no settlement for July had been reached by the time of the assessment Friday. Expectations surrounding a possible settlement price have been heard at a range of a 1- to 2-cent increase from June, which settled at 26.50 cents/lb, up 0.50 cent from May. Downstream, polyethylene stocks in the US and Canada fell more than 103 million lb in June, decreasing for the first time since February, prompted by increased exports, data released Wednesday by the American Chemistry Council showed. Total sales outpaced production by more than 103.15 million lb over the month. In Latin America, state-owned Pemex saw its overall olefins production fall off sharply in June after registering a 19-month high in May, as the company dealt with feedstock and power supply issues, company data released Friday showed. Pemex in June produced 44,473 mt of ethylene, down 13,820 mt (23.7%) compared with May and 13,637 mt (23.5%) when compared with June 2017. Last month's ethylene output was Pemex's lowest since February and comes as the company dealt with electrical outages and feedstock shortages. In feedstocks, ethane remains at levels last reached in 2014, but has fallen 12.6% from a four-year high of 39.75 cents/gal reached on July 10. Prompt-month purity ethane fell 1.5 cents to 32.50 cents/gal Friday, down 0.375 cent on the week. In the crude market, NYMEX prompt-month WTI futures closed at \$68.69/b, down 92 cents day on day, down \$1.77 on the week.

#### Rationale

US ethylene for prompt-month delivery was assessed Friday at 13.75-14.25 cents/lb FD USG, down 1.25 cents on the week and 0.375 cent from Thursday, based on a trade last heard done at 14 cents/lb MtB Nova basis for July delivery. The forward month was assessed at 14-14.50 cents/lb FD USG, down 1.75 cents on the week, 0.375 cent on the day, maintaining its market structure the market talked it at a 0.25-0.375-cent contango, in line with an outstanding bid-offer range heard at 13.75-15 cents/lb MtB Nova basis for August delivery. No settlement for July contracts had been heard by the time of assessment Friday.

### Asia

- **FOB Northeast Asia supply stays snug**
- **PetroRabigh offers tender cargo**

Asian ethylene prices were assessed lower over the course of the week, with the CFR Northeast Asia marker down by \$20/mt from one week ago to \$1,360/mt on Friday, but unchanged day on day. The CFR Southeast Asia marker was also stable from Thursday at \$1,245/mt, but down week on week by \$25/mt. The FOB Korea marker, which is only assessed once a week, was down just \$10/mt to \$1,340/mt as Northeast Asian exporters are tight on supply, sources said. However, in Southeast Asia, downstream operations were being reduced, sources said, leading to excess supply of ethylene and arbitrage heading out of the region. Some cargoes were sold on a CFR China basis, traders said. Also within Southeast Asia, deals at lower levels

were heard during the week. In market news, Saudi Arabia's PetroRabigh was offering 6,000 mt for loading August 13-17 in a sell tender which will close on Monday, market sources said. In upstream markets, naphtha prices were rising over the course of the week, settling at \$672.50/mt CFR Japan on Friday, up by \$29/mt from Friday the week before. Downstream styrene monomer also firmed by \$7/mt over the same period to \$1,403/mt CFR China on Thursday. Domestic SM supply in East China is expected to rise after Anhui Haoyuan started commercial production at its new 260,000 mt/year plant in Fuyang this week, ahead of the original expected start-up date of mid-August, market sources said Friday.

### Rationale

Daily ethylene prices, CFR Northeast Asia and CFR Southeast Asia, were assessed unchanged day on day at \$1,360/mt and \$1,245/mt, respectively, on Friday. No firm discussions were recorded during the day and no changes in market fundamentals were heard from the day before. Week on week, the FOB Korea marker was assessed down \$10/mt to \$1,340/mt, tracking the direction of the other prices, but less so amid tight supply.

## ETHYLENE GLYCOL

### Europe

- Supply heard tight
- Maintenances coming up

European monoethylene glycol was flat week on week to be assessed at Eur900/mt FCA NWE, Eur930/mt FD NWE and Eur880/mt CIF NWE, all flat week on week. Di-ethylene glycol's spot price was flat on the week to be assessed at Eur840/mt FCA NWE. Supplies were heard tight but that did not further boost assessments which had already risen last week. About five European MEG plants are expected to undergo maintenance in the September-October period and this was expected to tighten the market. The market continued to await full settlement of the MEG contract for July. While a consumer pegged the price on an FCA NWE basis at Eur900/mt, a trader pegged it at Eur915/mt. The FD NWE-FCA NWE spread was heard pegged at Eur30. On a CIF NWE basis, cargoes were heard pegged in the range Eur870-900/mt. A producer saw the DEG price as flat and pegged the FD NWE price at 840/mt FD NWE. Support for MEG also came from feedstock ethylene. The ethylene spot price firmed Eur11.50 on the week to be assessed at Eur1,038/mt FD NWE Friday. The NWE MEG contract for July may fully settle early in August along with an initial settlement for August, market sources — including producers, consumers and traders — said Friday. The contract initially settled at Eur1,010/mt FD NWE, earlier this month.

### Rationale

S&P Global Platts assessed the FCA NWE MEG spot price flat on the week at Eur900/mt. The assessment was made at a consumer's peg and at the lower end of the Eur900-915/mt range heard. The FD NWE

spot price for MEG was also unchanged at Eur930/mt. The assessment was made to reflect Eur30 spread indications over FCA prices heard and stood at the lower end of a Eur930-950/mt range pegged. CIF NWE spot price was unchanged at Eur880/mt to be assessed at the higher end of the Eur870-880/mt range heard. DEG spot prices were unmoved on the week to be assessed at Eur840/mt FCA NWE and at Eur875/mt FD NWE in sync with MEG assessments and for lack of fresh indications.

### Americas

- July ethylene CP expectations of up 1-2 cents
- CFR China MEG rises \$23 mt on the week

US spot monoethylene glycol was assessed Friday at 41-42 cents/lb (\$904-\$926/mt) FOB USG, stable week on week. The 3-30 day assessment was based on market talk of July barge export trading levels at 41-42 cents/lb FOB USG. Pricing indications for truck and rail deliveries were heard talked at 44-45 cents/lb FOB USG. The market continued to talk of tightness following a series of turnarounds in May-July, with participants keeping a particularly close eye on Nan Ya's 620,000 mt unit at Point Comfort, Texas, that was expected back up by the end of July. Demand from antifreeze canners, a major outlet for MEG, is also expected to ramp up into the coming months, with one source noting that supply concerns is causing disquiet about the ability of producers to cover upcoming seasonal demand as inventories are typically built during summer months. Contract prices were assessed Friday at 45.80-46.30 cents/lb, down 2.67 cents from June, stable on the week, following drops in US prices and stable to lower contract pricing in Asia. 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. No producer announcements for August prices had been heard by Friday afternoon. In Asia, a key destination for US imports, the CFR China assessment climbed \$23/mt to \$923-925 mt CFR China on sustained supply tightness following unplanned production outages and increasing demand. Upstream, July ethylene contracts remain unsettled as of Friday, with expectations of a July settlement price up 1-2 cents from June. June ethylene contracts settled at 26.50 cents/lb, up 0.50 cent from May. In the spot ethylene market, prices have been relatively rangebound Thursday to Thursday despite Thursday's news of a start up at ExxonMobil's new 1.5 million mt/year steam cracker, with ethylene for prompt-month delivery last assessed 0.125 cent higher Thursday at 14.25-14.50 cents/lb FD USG.

### Rationale

US spot monoethylene glycol was assessed Friday at 41-42 cents/lb (\$904-\$926/mt) FOB USG, stable week on week. The 3-30 day assessment was based on market talk of July barge export trading levels at 41-42 cents/lb FOB USG. The July US MEG contract was assessed at 45.80-46.30 cents/lb, down 2.67 cents from June, stable on the week, 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

- **Imports from Middle East, Europe fall**
- **China prompt domestic price rises by Yuan 140/mt**

Supply of monoethylene glycol is expected to tighten further due to the unplanned shutting of a few plants in Asia and fewer cargoes imported from Europe. In Saudi Arabia, Sharq shut its 450,000 mt/year No. 1 MEG unit last week. It was restarted this week. Yansab shut its 700,000 mt/year MEG plant last week, market resources said. This could not be confirmed with the company. In Europe, buyers have started building up MEG stocks ahead of the tightness expected in September and October from the planned maintenance of 4-5 European MEG/DEG plants. "We have seen lower MEG imports from Europe and Middle East into China," a market source said. Moreover, the shutting of Indian Reliance Industries Ltd.'s 750,000 mt/year MEG unit last week has impacted the already tight market. "Some shipments were delayed, including those scheduled to China initially," a market source said. The short supply supported CFR China MEG, which was assessed up \$6/mt day on day at \$924/mt Friday, despite the devaluation of the yuan against the dollar, which made imported cargoes more expensive. Separately, domestic supply continues to be tight in China. "China has to import 60% of MEG to fulfill the overall demand. When buyers shifted to domestic MEG stocks recently due to the depreciating yuan, the inventory has become tight, leading to a higher prompt domestic price," a trader said. "Some traders have stockpiled a large amount of MEG in the last few weeks, waiting to sell later. So there is not enough supply available in the market now," a source said. "At the same time, downstream polyester demand is firm." The low MEG inventory amid firm demand pushed up the prompt domestic price further. It was assessed up Yuan 140/mt from Thursday at Yuan 7,640/mt Friday in East China.

### Rationale

Asian MEG was assessed up \$6/mt from Thursday at \$924/mt CFR China Friday, as the tradable value was heard around \$920-925/mt for August. The domestic price was assessed up Yuan 140/mt day on day at Yuan 7,640/mt Friday, reflecting tradable discussions heard at Yuan 7,630-7,650/mt.

## PROPYLENE

### Europe

- **Market awaits August CP settlement**
- **Total's Gonfreville cracker resumes operations**

Propylene spot prices declined in the week to Friday, with polymer-grade propylene delivered 3-30 days forward assessed at Eur1,076.50/mt FD NWE, down Eur10 on the week, but stable on day. Sources said the market was still tight, but downstream demand was set to slow down in August as many players will be away from the market. Expectations for the European August propylene contract price have

been heard at a rollover, according to market sources. The July contract price was fully settled at Eur1,032/mt, which means the August contract is expected to settle at that level. Sources said they expected tight supply in August following a reduction in cracker run rates due to hot weather in Northwest Europe and unplanned turnarounds. Meanwhile, low water levels on the Rhine continued to cause logistical issues, sources said. Rhine levels at key chokepoint Kaub are currently pegged at 97 cm, down from 107 cm last Friday, according to the German waterways authority. In plant news, Total's Gonfreville cracker in northwest France is back in operation after maintenance, market sources said this week. According to sources, the cracker was expected to end maintenance at the end of June, but the re-start was delayed until the end of July. The company did not respond to a request for comment. Total started four months of major maintenance at its Gonfreville site on March 4. The unit has a capacity of 520,000 mt/year of ethylene and 260,000 mt/year of propylene, according to S&P Global Platts estimates.

### Rationale

S&P Global Platts assessed the European spot price of polymer grade propylene for delivery 3-30 days forward at Eur1,076.50/mt Friday, down Eur10 on week, and stable on day. Indications for August PGP were pegged between a 4-7% premium to the contract price, while CGP spot was pegged at a 2% premium to the CP. Platts assessed PGP at a 4% premium to CP, with CGP at a 2% premium, as they were deemed the most repeatable levels. July PGP and CGP were assessed at a 7% and a 5% premium, unchanged on week and on day, amid lack of fresh indications.

## Americas

- **July propylene CP considered at rollover**
- **Mexico's RGP production is expected to improve**

The US propylene spot market was stable to slightly down on Friday. The downtrend comes amid market discussion that Enterprise Products Partners' propane dehydrogenation unit was back online. US spot prompt polymer-grade propylene was assessed at 60.75-61.25 cents/lb FD USG on Friday, up 3.75 cents on the week and down 0.25 cent on the day. The Friday assessment also followed a late Thursday trade at 61 cents/lb MtB-Pipe for July, which came after the S&P Global Platts Market on Close window assessment process. US spot forward-month PGP was assessed at 60.50-61.00 cents/lb FD USG, up 4 cents on the week and flat from Thursday. US spot refinery-grade propylene was assessed Friday at 44.25-44.75 cents/lb FD USG on a three- to 30-day basis, up 1.50 cents on the week and flat from Thursday. The increase over the week was supported by numerous fluid catalytic cracker outages on the US Gulf Coast. Although sources said Enterprise's 750,000 mt/year PDH unit at its Mont Belvieu, Texas, complex was back online, the company has not yet confirmed this. Also on Friday, the US July propylene contract settlement was considered marketwide at a rollover to June, keeping the price at 59 cents/lb for polymer-grade product and 57.50 cents/lb for chemical-grade product, market sources said. Two producers and four buyers

confirmed the contract at a rollover, with multiple sources saying that despite one supplier holding out, the settlement was considered done at that level. The marketwide settlement follows an initial settlement at a rollover earlier in the week and holds the contract prices at its the highest level since December, according to S&P Global Platts data. US stocks of propylene for non-fuel use rose 184,000 barrels to 2.716 million barrels in the week ending July 20, Energy Information Administration data showed on Wednesday. Inventories totaled 106,000 barrels above year-ago levels, the EIA data showed. Meanwhile, US refinery run rates fell 0.5 percentage point to 93.8% for the same period, 0.5 percentage point below output in the corresponding week in 2017, the data showed. In Mexico, RGP production is expected to improve in August in the wake of Mexican energy producer Pemex restarting one of two shut fluid catalytic cracking units at its Minatitlan refinery, a company source said. Pemex's chemical-grade propylene output at Cangrejera remains steady and at normal levels, the source said. Expectations continue to call for a bump in by-product CGP production for Pemex once larger deliveries of contracted US-origin ethane commence in August, allowing the Cangrejera cracker to run at higher rates. In feedstocks, prompt-month purity propane was assessed at 97.50 cents/lb non-LST Mont Belvieu, flat day on day. In crude, NYMEX prompt-month WTI futures closed at \$68.69/b, down \$1.77/b on the week and down 92 cents on the day.

### Rationale

US spot prompt polymer-grade propylene was assessed at 60.75-61.25 cents/lb FD USG on Friday, up 3.75 cents on the week and down 0.25 cent on the day. The Friday assessment was based on a bid/offer range of 59.00-61.50 cents/lb MtB-Pipe for July delivery and in line with a late Thursday trade confirmed at 61 cents/lb MtB-Pipe. US spot forward-month PGP was assessed at 60.50-61.00 cents/lb FD USG, flat from Thursday and up 4 cents on the week. The price was assessed taking into account August bid/offer levels at parity with July and talk of a backwardation as high as 0.75 cent. US spot refinery-grade propylene was assessed Friday at 44.25-44.75 cents/lb FD USG on a three- to 30-day basis, flat from Thursday and up 1.50 cents on the week based on a bid-offer range of 42.25-49.00 cents/lb MtB-Pipe basis for July delivery for the second consecutive day.

## Asia

- **Downstream demand supports propylene price**
- **Mitsui Chem delays restart of Osaka steam cracker**

CFR China propylene remained stable from Thursday at \$1,080/mt Friday. Trading activity was scant as both buyers and sellers waited for clearer market direction. A Chinese trader said that the price for downstream products such as polypropylene had been rising lately, and this offered some support to propylene. The price of polypropylene was assessed at Yuan 9,400 ex-works for the raffia grade, up Yuan 100/mt on the week. "Propylene stocks in China were low due to more plants shutting down. That is supporting the propylene market," the trader said. Japan's Mitsui Chemicals will restart its steam cracker at

Osaka around the middle of August, a company source said Friday. "There are some technical issues, so we will restart around mid-August, but our polypropylene plant startup is delayed too, so we do not need to buy propylene from the spot market," the source said. The steam cracker, which is able to produce 500,000 mt/year of ethylene and 300,000 mt/year of propylene, was shut around the middle of June for maintenance, and was earlier scheduled to restart Friday. The FOB Korean marker was assessed at \$1,060/mt, unchanged from Thursday, as price discussions were around that level.

### Rationale

CFR China propylene was assessed unchanged on the day at \$1,080/mt Friday as price discussions were around that level. The FOB Korean marker was assessed at \$1,060/mt, unchanged from Thursday as price discussions were around that level.

## BUTADIENE

### Europe

- **August CP settled at rollover**
- **Good domestic demand**

The European butadiene contract price for August was agreed at a rollover from July at Eur1,125/mt FD NWE early in the week, with the relative stability of upstream crude C4 pricing in July cited as one reason for the rollover, while expectations of a more relaxed supply and demand balance in August were seen by some in the market as counteracting arguments for an increase generated by the gap between spot and contract price levels. The high spot price relative to the contract price is indicative of the tight supply and demand balance seen in the market in July and this week was no exception, with sources continuing to see strong domestic demand and tight availability. Export demand, however, divides market opinion, with some in the market continuing to see demand, despite the relatively high price of European export prices compared to Asian price levels, but others seeing no export opportunities, despite expected turnarounds in Asia in September. One European seller said, "If the Chinese aren't buying it won't matter if there are turnarounds." FOB Rotterdam spot prices were assessed flat on the week at \$1,450/mt, while domestic spot prices were also assessed unchanged on the week at Eur1,250/mt FD NWE. Logistics concerns have also surfaced in the market, with declining water levels on the River Rhine being closely watched by parts of the market. Barges were heard to be loading at lower rates as a result of the drop in water levels, although this was not heard to have impacted spot pricing. In the crude C4 market fundamentals remain broadly unchanged on the week with the supply and demand balance remaining tipped to tight. Nevertheless, one market participant said, "It depends which pockets you're looking in. Some have more CC4, some have less available." The crude C4 factor to naphtha remained flat on the week at 1.33. The raffinate-1 market too, remained largely unchanged on the week and this was reflected in the factor to naphtha remaining unchanged at 1.29.

## Rationale

S&P Global Platts assessed FD NWE spot price levels unchanged on the week at Eur1,250/mt within a range heard pegged at Eur1,225-1,270/mt, while FOB Rotterdam spot prices were assessed unchanged at \$1,450/mt in line with the stability in FD NWE spot prices but below a peg from a seller at \$1,500/mt. The crude C4 factor to naphtha was assessed stable on the week at 1.33 within a range heard pegged at 1.3-1.35. The raffinate-1 factor to naphtha was also assessed stable on the week at 1.29, the most repeatable level within a range heard pegged at 1.29-1.30.

## Americas

- **Downstream SEBS margins, pricing provide support**
- **Brazilian cargo bound for the US on contract deal**

Spot pricing for import butadiene cargoes held steady this week amid unchanged fundamentals, tracking unchanged European pricing. US pricing remained at 72-73 cents/lb (\$1,587-\$1,609/mt) CIF USG, with the most recent pricing indication coming in the form of a July pipe bid at 71 cents/lb (\$1,565/mt) that “got no traction,” a trader source said. US butadiene pricing was holding firm amid elevated downstream styrene-ethylene-butadiene-styrene block copolymer (SEBS) pricing and margins, a market source said this week. Additional US butadiene contract nominations were heard this week, with LyondellBasell pushing for a 1-cent/lb hike at 72 cents/lb (\$1,587/mt) and ExxonMobil aiming for an increase of 2 cents/lb at 73 cents/lb (\$1,609/mt), sources said. Last week saw TPC group nominate August contracts at a rollover of 70 cents/lb (\$1,543/mt) and Shell push for a 3-cent/lb hike at 75 cents/lb (\$1,653/mt), sources said. August nominations were being heard later than expected as producers took note of mid-month gains in spot pricing in key global markets, a source said. US producers did not respond to requests for comment on August contract nominations. Some market participants were surprised with Shell’s “ambitious” nomination, namely the hike of 3 cents/lb (\$66/mt) when there plenty of reason to expect a rollover, sources said. European spot price levels remained unchanged on the week at Eur1,250/mt, while FOB Rotterdam spot prices were assessed unchanged at \$1,450/mt. The FOB Korea butadiene marker fell \$20/mt to \$1,660/mt Friday, while the CFR China marker was assessed down \$10/mt over the same period to be assessed at \$1,620/mt amid weak market demand. 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 near the Cayman Islands with an estimated arrival at Salvador de Bahia set for August 9, according to S&P Global Platts C-Flow ship-tracking software. Additionally, the Dancing Brave and Navigator Copernico were observed via C-Flow to be stationed at Brazilian export ports, with shipper sources previously putting both vessels on charters for Asian delivery of Brazilian butadiene.

## Rationale

US spot import butadiene pricing held stable week on week, assessed Friday at 72-73 cents/lb (\$1,587-\$1,609/mt) CIF USG, tracking unchanged European pricing. July US butadiene contracts were assessed split at 70-74 cents/lb (\$1,543-\$1,631/mt), stable month on month, per market feedback.

## Asia

- **Higher prices expected amid tighter supply for Sep**
- **Disconnect in CFR China and Taiwan prices**

The Asia butadiene market softened Friday as market players held stronger buying and selling indications for September H1 cargoes, with both buyers and sellers indicating lower for August. One Korean producer placed tradeable value for a September H1 arrival cargo at \$1,750/mt FOB Korea. A Japanese buyer also agreed, indicating a buy idea for the same loading period at \$1,590/mt FOB Korea. The assessment takes the average of H2 August and H1 September arrival cargoes. In Taiwan, buying interest was strong, with buy indications at \$1,650/mt CFR Taiwan levels for H1 September cargoes, both buyer and seller sources said. As for China, buyers continued to stay away from the import market as domestic prices remained low. “It is not reasonable to buy imports,” one Chinese buyer said, adding that the lowest offer heard was Yuan 12,200/mt ex-works in Northeast China. Domestic Chinese prices remained stable at Yuan 12,100/mt ex-works China. This placed import parity at \$1,505/mt CFR China, \$119/mt lower than the current CFR China price, resulting in weak demand for imported cargoes. The extremely weak demand from Chinese buyers in comparison with a healthy buying appetite from Taiwanese buyers saw both the markets moving in opposite directions, whereas in the past market players noted a parallel relationship between CFR China and Taiwan prices, usually factoring in for freight difference.

## Rationale

The FOB Korea Butadiene marker was assessed down \$20/mt from Thursday to \$1,660/mt Friday, below the lowest H1 September selling indication heard at \$1,750/mt FOB Korea, and above the highest H1 September buying indication heard at \$1,590/mt FOB Korea. The CFR China marker was assessed down \$10/mt over the same period to be assessed at \$1,620/mt amid weak market demand. Domestic Chinese prices were assessed flat at Yuan 12,100/mt, below the lowest offer heard at Yuan 12,200/mt ex-works China. The CFR Taiwan marker was assessed up \$5/mt on week Friday at \$1,655/mt, above the highest buying indication at \$1,650/mt CFR Taiwan, September H1 arrival. The CFR Southeast Asia marker was assessed up \$5/mt on week Friday at \$1,610/mt, below tradeable value heard at \$1,600/mt CFR.

## POLYMER FEEDSTOCKS: AROMATICS

## PARAXYLENE

## Europe

- PX sees demand for exports
- European MX market activity lacking

The week was seen out with a lack of activity in European mixed xylenes. The demand seen mid-week was absent from the market for a second day. The MX CIF 5-30 day forward spot slipped \$0.50 on the day due to rolling dates to be assessed at \$819.50/mt. In paraxylene, demand in Europe is healthy at present, a producer said. However with some demand being filled by material from the Middle East many traders were looking to Asia for export. European orthoxylene prices rose to be assessed at \$970/mt, up \$25 on the day. The continuing shortness in Europe saw strong demand for material, with one trader saying many parties were interested in OX. The shortness in OX is expected to improve as imports from Russia should improve now the ban on exports during the World Cup has been lifted. Present low Rhine levels are expected to see logistics costs rise as barges will be forced to take below-capacity cargoes to cope with certain key points on the river, sources said.

## Rationale

S&P Global Platts assessed the MX CIF ARA 5-30 day spot at \$819.50/mt, down \$0.50 on the day as the rolling 5-30 dates adjusted in line with a backwardated market. No fresh bids, offers or trades were heard during Friday. Gains seen in other regions were outweighed by weak aromatics demand in Europe. Platts rolled August and September assessments at \$818/mt and \$800.50/mt respectively. PX was assessed at \$960/mt up \$6 on the day in line with movement in Asia and maintaining the absence of an arbitrage with the US. OX was assessed up \$25 on the day at \$970/mt, moving higher in line with Asia and signs of market tightening. An unconfirmed trade was heard for OX at \$1,005/mt CIF ARA.

## United States

- PX prices continue to track Asia higher
- Shipments to Asia may open up next month

US paraxylene spot prices moved higher over the week, following direction from the PX market in China. Spot prices on Friday were at \$1000/mt FOB USG, up \$37/mt from the \$963/mt FOB USG price seen a week earlier. The market had moved steadily upward on the week, in line with the other US aromatics markets and continuing to track the CFR Asian markets higher. In recent weeks, due to lack of liquidity in the domestic PX market, US PX prices have been pegged by market participants on a netback to Asia. While some market participants have said the current approach of valuing US PX prices has led to overvalued pricing and a possible disconnect with the market, others have said that using a differential to Asian prices more appropriate as producers are looking to ship US product overseas. One reason for the market to eye the movement of US-origin PX to Asia is the continued shutdown of the Alpek PTA plant in Altamira, Mexico, which has been one of the largest importers of US paraxylene in recent months. The Alpek plant

## POLYMER FEEDSTOCKS – AROMATICS

## Weekly Average Spot\*

Styrene FOB Korea (\$/mt)	1364.10-1365.10
Styrene FOB ARA (\$/mt)	1290.30-1291.30
Styrene FOB USG (cts/lb)	55.95-56.45

Paraxylene FOB Korea (\$/mt)	1011.26-1013.26
Paraxylene FOB Rdam (\$/mt)	958.60-960.60
Paraxylene FOB USG (\$/mt)	974.60-984.60

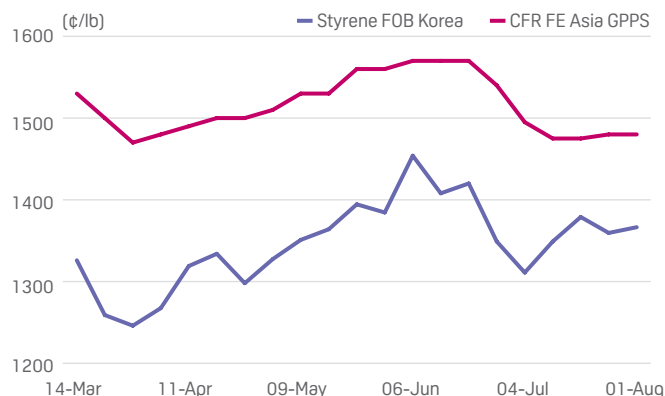
## Monthly Contract Price

Styrene Barge FOB ARA CP (Eur/mt) (Jul)	1295.00
Styrene FOB USG (cts/lb) (Jul)	55.75-56.25

Paraxylene CFR Asia Average (Jul )	NA
Paraxylene FD NWE (Eur/mt) (Jul)	885.00-895.00
Paraxylene FOB USG (¢/lb) (Jun)	50.75-50.75(Q3)#

\* Average prices for week ending previous Friday. # US PX CP are typically settled retroactively, prices refer to most recent settlement. To convert Cts/lb to \$/mt, multiply by 22.046.

## ASIA STYRENICS PRICES



Notes: All aromatics prices reflect assessments at close of previous Friday.

was shut a few weeks ago after a fire broke out on the premises, with current restart estimates at a four to eight week timeline. Alpek has an estimated PTA capacity of 500,000 mt on each of their two PTA lines in the Altamira plant. PTA, Purified Terephthalic Acid, is a direct downstream product of paraxylene. Market sources have said that they heard some cargoes could be on the move in the first and second half of August. However, due to tightness in the US Gulf shipping ports, a cargo in the second half of August is much more likely. One market source continued by saying that pricing of US PX should be based on the netback to the October H1 Asia pricing, because that is the earliest a shipment could conservatively be delivered.

## Rationale

US spot paraxylene was assessed at \$1000/mt FOB USG, up \$16/mt from Thursday and \$37/mt from the previous week, based on a netback to the CFR China marker. The July PX contract remained unsettled. The June PX contract price was assessed at 50.75 cents/lb, down 0.25 cents on confirmation from market sources.

## Asia

- **Sept trades at \$1,055/mt**
- **CFR Taiwan/China marker hits 44-month high**

Hitting a near-4 year high on firm demand for September, Asian paraxylene prices were assessed \$15/mt higher from Thursday, and \$34.33/mt higher on the week at \$1,031.33/mt FOB Korea and \$1,050.33/mt CFR Taiwan/China Friday. In addition to a steadily climbing value for the fixed-price September cargo, the premiums for the September floating prices were also seen bid up to \$17/mt, shortly before GS Caltex bought a September-delivery cargo from OTI at \$1,055/mt during the Market on Close assessment process. Even though the rise was underpinned by a Yuan 62/mt rise in the September purified terephthalic acid futures contract which settles on the ZCE, traders also pointed out that the costs to PTA makers were seen to be passed downstream, with at least 8,000 mt of spot PTA cargo heard purchased around Yuan 285/mt above the afternoon futures closing price of Yuan 6,206/mt. "The high costs can be absorbed by the polyester sector right now, because the margins are still good," said a Japanese trader. The disparity in buying interest for September cargoes compared with October cargoes was also evident in the spread between the two laycans, with the backwardation widening a further \$3/mt on the day to \$14/mt, with the CFR Taiwan/China marker assessed at its highest since November 24, 2014, according to Platts data. Following on from the sharp rise in the value of September cargoes on the week, discussions for Thai producer PTT Global Chemical's spot sell tender for H2 September-loading PX were heard to have crossed into positive territory, with low single-digit premiums among the bids submitted, according to participants, a marked increase from the last tender awarded at a discount of \$2/mt. The tender, for 10,000 mt of cargo is priced at a differential to 50% September Asian Contract Price and 50% of September average of weekly Platts CFR Taiwan/China. "Given the large loading period, it's very likely that some of the bids on the higher end would come with the condition of being able to load the cargo within the early part of H2 September in order to deliver within September," said a participating trader. "Otherwise it delivers in October, and at the current backwardation of \$14/mt, is very risky." Meanwhile, the first offers for the August Asian Contract Price are \$1,100-\$1,120/mt CFR Asia, with Japan's JXTG Nippon Oil and Energy and South Korea's SK Global Chemical respectively nominating at those levels. Discussions for the last four months' ACPs all failed to result in a settlement, with the March ACP seeing the last major settlement, at \$975/mt.

### Rationale

Asian PX prices were assessed \$15/mt higher from Thursday at \$1,031.33/mt FOB Korea and \$1,050.33/mt CFR Taiwan/China Friday. The markers take an average of the H1 and H2 September, and H1 October laycans. The September laycans were assessed at \$1,055/mt, at the level of a deal between OTI and GS Caltex at the end of the Market on Close assessment process at \$1,055/mt, and after normalising an outstanding bid for Asian-origin cargo from GS Caltex at \$1,054/mt by \$1/mt. The bids were normalised due to a restriction in

origin. The H1 October laycan was assessed at \$1,041/mt, after normalising an outstanding bid for Asian-origin cargo from GS Caltex at \$1,040/mt, and maintaining the backwardation between September/October unchanged from the afternoon pegs at \$14/mt. The above rationale applies to the following market data codes: "PHASS05" for FOB Korea and "AAQNE00" for CFR Taiwan/China.

## STYRENE

### Europe

- **Delays in US imports expected**
- **Total's Gonfreville cracker resumes operations**

European styrene spot prices rose modestly on the week. The 5-30 day forward styrene spot price was assessed at \$1,290/mt FOB ARA Friday, down \$1/mt on the day, and increasing from \$1,270/mt last week. Higher weekly prices came amid delays in imports from the US due to a production issue in the US. Several sources said Westlake Chemical had recently faced an outage that had delayed shipments to the EU by one to two weeks. Westlake was not immediately available for comment. Despite the delays, sources said that the impact on styrene prices was limited due to ample availability in the market. Previous instances of unplanned outages have led to triple-digit price increases. Upstream, Total's Gonfreville cracker resumed operations, sources said. The cracker was expected to end maintenance at the end of June, but the restart was delayed until the end of July. Total did not respond to a request for comment. Styrene sources previously said that the delay in the restart of the cracker meant that there was a shortage in feedstocks for Total's styrene unit at the same location, which supported demand at the time. Total did not provide a comment on the styrene unit. The feedstock benzene contract price is expected to settle next week. August trades were in the range \$860-\$862/mt in the past few days, with a September trade heard at \$872.50/mt on Friday. The July contract price was fully settled at \$920/mt or Eur794/mt.

### Rationale

S&P Global Platts assessed styrene for loading 5-30 days forward at \$1,290/mt FOB ARA Friday, down \$1/mt. August was assessed at \$1,290/mt, within the narrowest bid-offer range of \$1,285-\$1,295/mt. The August-September flat structure was carried over and September was assessed at \$1,290/mt, within the last indication of \$1,275-\$1,295/mt.

### United States

- **Little impact amid talk of production issues**
- **Feedstock prices poised to move higher**

US export styrene prices were mostly stagnant on the week as upstream benzene pricing was relatively stable and liquidity was limited. Reported export activity was absent throughout the week and pricing was talked notionally at a netback to Europe. The assessment Friday finished at \$1,240/mt FOB USG. Demand was soft and it wasn't



yet clear if supply side conditions had improved from recent outages in July, sources said. Sources said that one US producer had faced a power outage which resulted in some delayed shipments to Europe though this was not confirmed at time of publication. This follows recent producer-to-producer deals which suggests an ongoing production problem. While details and confirmation were unavailable that same producer was seen selling benzene barrels Friday, suggesting either the issue remained unresolved or the unit was running at reduced rates. Arbitrage opportunities to Europe were limited this week with pricing stuck near \$1,290/mt throughout most of the week. Sources said that better netback opportunities could be seen in Korea and Taiwan though no new parcels were heard fixed this week. Styrene margins were estimated near \$300/mt on a spot basis but were likely to be dented amid expectations of a stronger benzene contract and a 1-2 cents gain in ethylene. August benzene contract expectations were heard near 287-288 cents/gal this week. Domestic pricing was last talked at 56 cents/lb.

### Rationale

Prompt spot styrene prices were assessed Friday at 56.25 cents/lb (\$1,240/mt) FOB USG amid notional indications at \$1,230-\$1,260/mt. Forward month pricing was also unchanged on the day at 56.25 cents/lb (\$1,240/mt) FOB USG amid talk of a flat market structure from August to September. Domestic pricing was assessed at 56 cents/lb amid talk of pricing in the mid-50 cents/lb range.

## Asia

- **Aug/Sep backwardation widens to \$24/mt**
- **Anhui Haoyuan starts commercial production**

Asian SM was assessed 50 cents/mt higher day on day at \$1,366.50/mt FOB Korea and \$1,403/mt CFR China Friday. The CFR China marker rose steadily this week, up \$7/mt week on week from last Friday, amid quiet

discussions as market participants searched for new price indications, with the Asian SM market mostly balanced. This also reflected stable inventory level in East China this week, with stocks held by traders edging up just 200 mt. There were concerns of supply disruptions in East China due to the passing Typhoon Ampil, but so far there were no news of any plant shutdowns and supply was heard to be normal. The best bid for August was heard at \$1,400/mt CFR China Friday, which did not attract any sell interest. Despite the firmness in August laycans, some market participants were of a bearish view for September, as several downstream acrylonitrile-butadiene-styrene plants were planning to lower their operating rates due to poor margins. This was also reflected in the widening of the August/September backwardation to \$24/mt Friday. In addition, domestic supply in East China is expected to rise after Anhui Haoyuan started commercial production at its new 260,000 mt/year plant in Fuyang this week, ahead of original expected start-up date of mid-August, market sources said Friday. Meanwhile, East China August marker was assessed Yuan 50/mt higher at Yuan 11,360/mt Friday, which equated to approximately \$1,413.13/mt on an import parity basis.

### Rationale

Asian SM edged 50 cents/mt higher day on day at \$1,366.50/mt FOB Korea and \$1,403/mt CFR China Friday. The CFR China and FOB Korea SM markers currently take into account the average of H2 August and H1 September laycans. There were no transparent bids and offers during the Platts Market on Close assessment process. H1 September was assessed at the peg of \$1,391/mt CFR China, stable day on day, while H2 August was assessed at \$1,415/mt CFR China, based on the pegged H2 August/September backwardation of \$24/mt. East China August marker was assessed Yuan 50/mt higher at Yuan 11,360/mt Friday, which equated to approximately \$1,413.13/mt on an import parity basis. The FOB Korea marker was assessed at \$1,366.50/mt Friday, up 50 cents/mt, based on the pegged the CFR China-FOB Korea spread of \$36.50/mt.

## POLYMER FEEDSTOCKS: INTERMEDIATES

## PURIFIED TEREPHTHALIC ACID

## United States

- Supply poised to improve: sources
- Seasonal demand expected to wane

Sources anticipated improved PTA availability in the US in the coming weeks amid talk that BP would lift an allocation at its Cooper River plant in South Carolina. The company was heard to have initially announced an allocation of 45% at the near 1.5 million mt/year facility on the back of PX production issues in Texas City. The allocation was later increased and was last heard at 70% and market participants expected the allocation to be lifted by the end of July or in early August. Confirmation from BP was unavailable at time of publication. Supply side conditions worsened further in July following a fire at Alpek's Altamira PTA plant. Production was shut following the accident at the facility, which has an estimated capacity of 1 million mt/year and a restart date was expected between 4-8 weeks from the date of the fire, the company said. Meanwhile demand from downstream PET markets remained strong this week amid peak seasonal demand from the bottling segment. While seasonal demand was expected to wane, PTA requirements could increase by some 300,000 mt/year if Far Eastern is able to start up its 360,000 mt/year PET unit at West Virginia in Q3, as some participants expected. Further details on the startup date were unavailable. In pricing, participants anticipated a July contract settlement of 50-51 cents/lb though no settlement was heard and sources said any settlement would likely come on the heels of the US PX contract, which remained unsettled Friday.

## Rationale

The June US purified terephthalic acid price was settled at 49.84 cents/lb, down 0.17 cent from the May settlement, sources said. July contracts have not yet settled.

## Asia

- ZCE Sep futures contract rises by Yuan 194/mt
- Feedstock PX rises \$34/mt on week

Asian purified terephthalic acid was assessed \$5/mt higher week on week at \$850/mt CFR China Friday as domestic prices surged amid strong buying activity and surging upstream feedstock PX prices, industry sources said. The China domestic price rose by Yuan 150/mt on the week to Yuan 6,250/mt on strong buying sentiment. Producer Zhejiang Yisheng was buying PTA futures while other traders scrambled to avoid a short squeeze, a trader said. The actively traded September 2018 PTA futures contract on the Zhengzhou Commodity Exchange surged Yuan 194/mt on the week to Yuan 6,206/mt by Friday close. Feedstock PX marker surged \$34/mt over the same period to \$1,050/mt CFR Taiwan/China Friday, according to S&P Global Platts data.

## POLYMER FEEDSTOCKS – INTERMEDIATES

## Weekly Spot

PTA CFR China (\$/mt)	847.60-849.60
PTA CFR SE Asia (\$/mt)	861.0-863.0
PTA CFR South Asia (\$/mt)	862.0-864.0

EDC CFR FE Asia (\$/mt)	329-331
EDC CFR SE Asia (\$/mt)	329-331
EDC FOB NWE (\$/mt)	298-302
EDC FOB USG (\$/mt)	255-265

VCM CFR FE Asia (\$/mt)	719-721
VCM CFR SE Asia (\$/mt)	734-736
VCM FOB NWE (\$/mt)	618-622
VCM FOB USG (\$/mt)	685-695

Acrylonitrile CFR FE Asia (\$/mt)	2219-2221
Acrylonitrile CFR SE Asia (\$/mt)	2219-2221
Acrylonitrile CFR South Asia (\$/mt)	2219-2221
Acrylonitrile FOB USG (\$/mt)	2110-2130
Acrylonitrile CIF ARA (\$/mt)	2048-2052
Acrylonitrile CIF Mediterranean (\$/mt)	2048-2052

## Monthly Contract Price

PTA FD NWE (Eur/mt) (Aug)	722-732
PTA Delivered USG (¢/lb) (Jun)	49.84-49.84
VCM Delivered USG (¢/lb) (Aug)	39.00-41.00

Global ACN, European and US prices of EDC and VCM reflect assessments at close of Tuesday. PTA CFR China prices reflect average prices for week ending previous Friday. All other intermediates prices reflect assessments at the close of previous Thursday. US domestic prices reflect transaction pricing for medium-sized customers.

## PLATTS ASIAN PTA vs. PARAXYLENE



## Rationale

CFR China PTA was assessed up \$5/mt week on week at \$850/mt Friday, below offers heard at \$860-865/mt CFR China, with a tradable indication heard at \$845-850/mt. The China domestic price rose by Yuan 150/mt on the week to Yuan 6,250/mt. The CFR Southeast Asia marker rose by \$5/mt on the week to \$862/mt Friday, following China prices. The CFR India marker rose \$5/mt over the same period to \$863/mt CFR, between an offer at \$864/mt and a buying indication at \$862/mt.

## ACRYLONITRILE

### Europe

- **Lukoil's plant undergoes unplanned shutdown**
- **Market awaits August propylene CP settlement**

The European acrylonitrile spot price increased in the week to Tuesday to \$2,050/mt CIF ARA, up \$50/mt on week, on the back of tight supply. Sources said there was a lack of spot material in the market amid ongoing supply issues in Europe. Lukoil's Saratov ACN plant in Russia experienced an unplanned shutdown this week, a source close to the company said Tuesday. The shutdown is expected to last a week, the source said. On the back of that, Ineos Nitriles was continuing the force majeure on ACN supplies from its plants in Seal Sands in the UK and Cologne in Germany, market sources said Tuesday. The company was not available to comment. One source said the force majeure was expected to be lifted at the end of August. Looking ahead, the Saratov plant will carry out a four-week maintenance in mid-September, the source close to the company added. The plant has the capacity to produce around 150,000 mt/year of ACN. In upstream propylene, market players were awaiting the August contract price settlement, with expectations heard at a rollover to a small increase. The S&P Global Platts propylene contract price indicator for August was assessed at Eur1,036/mt FD NWE Tuesday, Eur4 above the July contract price.

#### Rationale

S&P Global Platts assessed spot ACN at \$2,050/mt both on CIF ARA and CIF MED basis, up \$50/mt on the week amid tight supply. Indications ranged between \$2,000-\$2,200/mt and Platts assessed ACN CIF ARA and CIF MED at \$2,050/mt as they were deemed the most repeatable levels.

### United States

- **Contract customers absorbing available ACN cargoes**
- **Asian, European markets pressured by tight supply**

Export pricing for US acrylonitrile rose for a third consecutive session this week, pressured by tight supply and firm feedstock costs while tracking gains in other key global markets. US export ACN pricing climbed \$20/mt this week to a Wednesday assessment of \$2,110-\$2,130/mt FOB USG to reach its highest point in more than 75 months, according to S&P Global Platts data. The last time US ACN pricing reached this level came April 12, 2012, when the marker closed at \$2,130-\$2,150/mt FOB USG, according to Platts data. Contract pricing is expected to hold stable in August after feedstock chemical-grade propylene contracts rolled over at 57.5 cents/lb (\$1,268/mt) and ammonia contracts rose \$10/mt to settle at \$280/mt, sources said. On the export front, spot availability has been limited in recent weeks as domestic contract customers take any available volumes, sources said. The premium of export pricing over

domestic pricing — currently pegged around \$350/mt — is likely to shrink or even disappear in the coming years as producers push for higher adders in the contract formulas, a source recently said. US product was heard sold into India on a spot basis at a price above \$2,200/mt CFR, a source said, adding that freight was estimated around \$85/mt. In Europe, ACN pricing climbed \$50/mt for the week to close at \$2,050/mt CIF ARA, with tight supply pressuring the market. Asian pricing, meanwhile, rose \$10/mt to \$2,220/mt CFR Far East Asia Tuesday, with limited availability in Northeast Asia pushing up bids and offers in the spot market.

#### Rationale

US export acrylonitrile rose \$20/mt week on week, assessed Tuesday at \$2,110-\$2,130/mt FOB USG, based on pricing indications above \$2,200/mt CFR India for US-origin material, taking into account \$85/mt of freight, per market feedback. Domestic ACN contract pricing in the US held stable at 79.5 cents/lb (\$1,753/mt) delivered for July, based on an industry accepted formula taking into consideration the June chemical-grade propylene settlement at 57.50 cents/lb (\$1,268/mt) and the June ammonia contract price, which was heard at \$270/mt.

### Asia

- **Demand from downstream buyers remains resilient**
- **Domestic prices hike**

Asian acrylonitrile rose \$10/mt on the week to \$2,220/mt CFR Far East Asia Tuesday. Spot supply of ACN remained tight in Northeast Asia and pushed up bids and offers in the spot market. A Taiwanese trader said that downstream acrylonitrile butadiene styrene (ABS) producers were very cautious on ACN procurement as the recent spike in price for these raw materials have dented their margins. Chinese producers were heard maintaining their operating rates at 77% last week, down 3% from 80% the week before. "The average margins for these ABS producers is about \$50/mt, which is down from \$100/mt previously, because raw materials such as ACN is moving up sharply lately, but they still need to buy these raw materials to maintain production, and this supports a firmer ACN market," the Taiwanese producer said. Domestic ACN was heard traded at around Yuan 17,300/mt this week, up Yuan 200/mt from Yuan 17,100/mt last week, which is equivalent to more than \$2,200/mt CFR China. "I have a customer bidding at \$2,200/mt CFR China, but I do not have cargoes to sell to them," a Japanese producer said. China's Jiangsu Sailboat Petrochemical, also known as Jiangsu Shenghong, plans to shut its methanol-to-olefin unit and downstream plants July 20, The CFR Southeast Asia and south Asia marker was assessed at \$2,220/mt, as price was discussed around that level.

#### Rationale

The ACN CFR Far East Asia marker inched up \$10/mt on week at \$2,220/mt Tuesday based on a bid at \$2,200/mt. The CFR Southeast Asia and CFR India marker were both assessed at \$2,220/mt, up \$10/mt on week in line with the price gain in the China market.

## ETHYLENE DICHLORIDE / VINYL CHLORIDE MONOMER

### Europe

- Expectation of reduction in caustic run rates
- VCM slides with low PVC demand

European caustic soda continued to slide this week dropping \$50 to be assessed at \$490/mt FOB Rotterdam. A quiet summer period has seen demand continue to drop. Demand will remain low until late August when the holiday period ends, a trader said. The Mediterranean is even longer than Northern Europe where lots of product has seen prices slip well below NWE levels. There is a lot of product in tanks in the Spain, a trader said. September may see prices increase as a major European producer is to undergo maintenance, he said. French producer Kem One will start six weeks' maintenance on August 27 at the company's caustic soda facility in Fos-sur-Mer, Platts reported in early July. Material from the Middle East has been heard offered at very low numbers and this has helped to drive down prices in the Med, a market participant said. There has been the suggestion that the low caustic prices and large quantities in tanks could see run rates reduced which could impact products downstream of co-product chlorine. EDC: European ethylene dichloride remained unchanged at \$300/mt this week as the market remained quiet. The suggestion of reduced rates in caustic soda and chlorine production could see this price gain in the coming months, a trader said. VCM: Vinyl chloride monomer in Europe was assessed down \$10 at \$620/mt FOB NWE. The spot market was sluggish as demand dropped from PVC producers. "Inventories of PVC are the highest in the last 18-24 months," a trader said.

#### Rationale

S&P Global Platts assessed spot caustic soda prices at \$490/mt FOB Rotterdam Tuesday, down \$50 on the week as demand continued to drop and within an indication heard at \$400-\$500/mt. The VCM spot price was assessed at \$620/mt FOB NWE down \$10 on the week with dropping demand from downstream PVC. EDC spot prices were assessed stable at \$300/mt FOB NWE in line with indications in the range \$290-310/mt.

### United States

- EDC export volume availability limited
- VCM holds steady amid August PVC talks

EDC: US export ethylene dichloride prices were assessed Tuesday at \$255-\$265/mt FOB USG, stable week on week, based on pricing indications in thin market activity. Brazilian petrochemical producer

Braskem issued a tender for 13,000dmt of US-origin EDC for delivery in the second half of September, but no deals were heard done in the days after the July 25 deadline for offers. Sources said Olin was heard to be the sole US producer with export volume availability in August. In May, Braskem issued a tender for the same amount of EDC for mid-July delivery, but Olin was the sole producer with available material at that time as well, and Braskem was heard to have declined Olin's offer of \$300/mt FOB USG for economic reasons. Olin later sold a cargo at that price to Spain in a deal seen as unrepeatably. EDC is among US products targeted by China for tariffs in response to proposed US tariffs on Chinese goods. China is the largest export market for US EDC, and market sources say China buying has shriveled up amid the tariff threat, given uncertainty of whether those taxes could be imposed on cargoes en route. Asian EDC was last assessed July 26 at \$330/mt CFR Far East Asia, stable on the week, and up \$15/mt week on week to \$330/mt CFR Southeast Asia. In Europe, EDC prices were assessed unchanged Tuesday at \$300/mt FOB NWE, VCM: US export vinyl chloride monomer prices were assessed Tuesday at \$685-\$695/mt FOB USG, flat week on week, in line with downstream polyvinyl chloride prices. PVC was last assessed July 25 at \$840-\$850/mt FAS Houston, unchanged from the prior week, as negotiations for August pricing began with a wide gap between bids and offers. Producers were heard to have started with a rollover at \$845/mt FAS Houston, and some reduced pricing to \$835/mt and then \$820/mt but none gained traction with buyers. A bid was heard at \$800/mt FAS Houston. The vast majority of US VCM is sold on contract to customers in Mexico, Colombia and Canada, leaving little available for spot exports that largely go to Latin American and Caribbean markets, but sources say VCM pricing largely traces that of PVC as VCM is its direct precursor. A market source said that small spot market for VCM was quiet with pricing expected to decline in tandem with PVC. In Asia, VCM was last assessed July 26 up \$20/mt to \$720/mt CFR Far East Asia, in line with stronger PVC, while the CFR Southeast Asia market remained unchanged at \$735/mt. In Europe, VCM was assessed down \$10/mt to \$620/mt FOB NWE on Tuesday. US VCM contracts were assessed Tuesday at 39-41 cents/lb delivered, stable on the week, tracking US PVC contracts.

#### Rationale

EDC: US export ethylene dichloride prices were assessed Tuesday at \$255-\$265/mt FOB USG, stable week on week, based on pricing indications in thin market activity. VCM: US export vinyl chloride monomer prices were assessed Tuesday at \$685-\$695/mt FOB USG, flat week on week, in line with downstream polyvinyl chloride prices. US VCM contracts were assessed Tuesday at 39-41 cents/lb delivered, stable on the week, tracking US PVC contracts.

### Asia

- VCM tracks rising PVC
- US EDC stable

EDC: Asian ethylene dichloride was assessed stable week on week at \$330/mt CFR Fareast Asia on Thursday amid market talk of deals at higher as well as lower levels, both of which could not be

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confirmed. An end-user noted that a possible deal at \$350/mt would be “too expensive”, but added that the EDC market was looking a little tight due to operating rate issues within Northeast Asia. On Thursday, the CFR Northeast Asia ethylene price dipped \$5/mt day on day to be assessed at \$1,360/mt, S&P Global Platts data showed, which was also down \$40/mt week on week. Caustic soda prices were also lower week on week with the FOB Northeast Asia price assessed down \$60/mt to \$360/mt on Tuesday. Meanwhile, the FOB USG EDC price was assessed unchanged week on week at \$260/mt Tuesday, Platts data showed. VCM: Asian vinyl chloride monomer prices were seen increasing in Northeast Asia this week on the back of higher PVC prices, market sources said. The CFR Far East Asia VCM marker was assessed up \$20/mt week

on week to \$720/mt on Thursday. On Wednesday PVC was assessed up week on week by \$15/mt to \$960/mt CFR China, and up \$5/mt to \$985/mt CFR India.

### Rationale

EDC: Prices were assessed stable at \$330/mt CFR Far East Asia as deals were heard both above and below this price level, but could not be confirmed. CFR Southeast Asia was assessed up \$15/mt at \$330/mt within the tradeable range heard at \$320-\$350/mt. VCM: CFR Far East Asia was assessed higher by \$20/mt in line with rising PVC and also a deal heard done close to this level. CFR Southeast Asia was assessed unchanged at \$735/mt in line with tradeable levels heard around this level.

## NEWS

### US PDH issues add to more tight supply in propylene market

A propylene dehydrogenation unit upset at the Flint Hills Resources Houston facility will strain an already tight propylene market and support higher prices, sources said Wednesday. In a Texas environmental regulatory filing on Monday, FHR there was a loss of steam pressure on the 116J compressor during a controlled unit shutdown. This loss of pressure to the compressor caused a unit upset in the PDH1 distillation area which resulted in process gas routed to the flare to relieve pressure from the affected process equipment, FHR said. FHR also said the affected equipment was safely shut, flaring from the 116J compressor ended at approximately 11:15 pm on Monday, and the 116J compressor was successfully restarted on Tuesday at about 1:15 am. Trade participants said that the 658,000 mt/year PDH unit may need to be down for a few days. “It is still going on as of now,” said one trade source referring to the FHR PDH issues. “But I am not sure what is wrong technically.” The unit upset comes as Enterprise Products Partners had its PDH unit down this week, according to market sources. The company has not commented on operations at its 750,000 mt/year PDH unit in Mont Belvieu, Texas, but sources said it was down most of this week and may have restarted. The company reported flaring at its Mont Belvieu PDH unit in mid-July in a regulatory filing. Another trader said the PDH issues may have already been supporting stronger propylene prices. “I think that’s what we have been seeing,” the trader said. “Enterprise came back up last night. We’ll have to see how long that lasts though.” Current polymer-grade propylene spot prices on Tuesday were at 61 cents/lb FD USG, up from 58.25 cents/lb FD USG a week earlier, according to S&P Global Platts data. Refinery-grade propylene spot prices were at 44.50 cents/lb FD USG on Tuesday, up from 43 cents/lb FD USG.

### Turkish PP imports up in June to 133,552 mt, despite Ramadan, currency woes

London -- Imports of polypropylene into Turkey rose by 3.15% year-on-year in June 2018 to 133,552 mt, according to the latest data from Turkstat. Saudi Arabia strengthened its position as the largest exporter of PP to

Turkey, with over 46,951 mt of PP from Saudi Arabia arriving in Turkey in June, compared with just over 34,310 mt in June 2017. The year-on-year increase in imports of PP into Turkey came despite bearish sentiment across the market resulting from wider economic concerns and the weakness of the Turkish lira against the US dollar. The first half of June also coincided with the second half of the holy month of Ramadan, which traditionally sees a lull in buying, however, throughout much of 2018 to date market sources have seen PP pricing and demand have remained healthier than in other polymer markets. PP raffia spot prices were stable at \$1,325/mt CFR Turkey throughout June, according to S&P Global Platts data.

### Algeria’s Sonatrach raises August LPG contract prices

London -- Algeria’s Sonatrach hiked both its propane and butane contract prices for August, compared with July, setting propane at \$555/mt and butane at \$570/mt, the company said Wednesday. On propane, that was a \$25/mt rise from July’s contract price, and on butane a \$30/mt jump. That followed a steady roll-over in prices from June to July, which was preceded by three months of price gains. Sonatrach mainly supplies LPG demand in the Mediterranean, but also exports product on a spot and contract basis to Northwest Europe and the Americas.

### NWE Aug benzene CP fully settled at \$867/mt or Eur742/mt, down \$53 or Eur52

London -- The European benzene contract price for August has fully settled at \$867/mt or Eur742/mt, down \$53/mt or Eur52/mt from July, with multiple buyers and suppliers confirming the settlement Wednesday. A contract price is considered fully settled when two buyers and two sellers agree on the same contract price level. The market was largely expecting a fall in contract prices for August as the spot price had trended lower in July. The spot CIF ARA price was on a downward trend throughout July as production issues cleared up, with low demand and uptake from the downstream styrene market also pressuring prices. S&P Global Platts assessed the 5-30 day forward spot price at \$876/mt CIF ARA Tuesday.

## GLOBAL PRODUCTION UPDATE

Company	Location	Capacity* kt/yr	Timing	Status
Jiutai Energy	Ordos, Inner Mongolia, China	300,000 HD/LL	Q4 2018	SU new capacity
LG Chem	Yeosu, South Korea	300,000 HD/LL	Q4 2018	TA, duration unknown
Jam Petchem	Asaluyeh, Iran	330,000 HD/LL	1-Aug	1M
Daelim Industrial	Yesou, South Korea	280,000 HD	1-Oct	1M
LG Chem	Yeosu, South Korea	300,000 LD	Q4 2018	TA, duration unknown
Frep	Fujian, China	450,000 HD/LL	November 18, 2018	TA, 55 days
Fujian Refining & Petrochemical	Fujian, China	450,000 HD/LL	November 18, 2018	TA, through January 11, 2019
Shanghai Secco Petrochemical	Shanghai, China	300,000 LL	Oct. 6-Nov. 23, 2018	TA
Formosa	Linyuan, Taiwan	210,000 HD	Oct-18	TA, 22 days
PTT	Map Ta Phut, Thailand	300,000 LD	End September 2018	TA, 12 days
CP Chem	Jurong Island, Singapore	400,000 HD	July 2018	TA, 40-45 days
Petronas	Kertih, Malaysia	200,000 HD/LL	July 2018	TA, 30-40 days
Shanghai Secco Petrochemical	Shanghai, China	100,000 LD	July 2018	TA, 1W
Shenhua Group	Xinjiang, China	270,000 LD	July 2018	TA, 1 month
Shenhua Group	Yulin, China	300,000 LD	July 2018	TA, 1 month
The Polyolefin Co.	Jurong Island, Singapore	180,000 LD	July 2018	TA, 45 days
TPC	Jurong Island, Singapore	180,000 LD	July 2018	TA, 45 days
Lotte Chemicals	Yeosu, South Korea	630,000 HD	H2 2018	TA, duration unknown
Daqing Petrochemical	Heilongjiang, China	205,000 LD	June 22, 2018	TA, 1 month
Daqing Petrochemical	Heilongjiang, China	240,000 HD	June 10-July 26, 2018	TA, 3 lines total
Daqing Petrochemical	Heilongjiang, China	628,000 LL/HD	June 10-July 26, 2018	TA, 3 lines total
Daqing Petrochemical	Heilongjiang, China	65,000 LD	May 17-July 26, 2018	TA
Shenhua	Baotou, China	300,000 HD/LL	May 15, 2018	TA, 1.5 months
Zhenhai Petrochemical	Zhejiang, China	450,000 LL	May 12-June 23, 2018	TA
Keiyo Polyethylene	Chiba	170,000 HD	Mid-May 2018	TA, 51 days
CSPC	Huizhou, China	300,000 LL	End April 2018	New capacity
CSPC	Huizhou, China	400,000 HD	End April 2018	New capacity
ExxonMobil	Jurong Island, Singapore	650,000 mLL	April 2018	TA to convert line to LLDPE
Borouge	Ruwais, Abu Dhabi	540,000 various PE	end of Q1 2018	RS following 50-day TA
Bangkok Polyethylene (of PTTGC)	Map Ta Phut, Thailand	300,000 LD	2H March 2018	TA, 2 weeks
Kayan (Sabic)	Al Jubail, Saudi Arabia	300,000 HD	March 2018	TA, 15 days
Petro Rabigh	Rabigh, Saudi Arabia	300,000 HD	March 2018	TA, duration unknown
PTTGC	Map Ta Phut, Thailand	125,000 PE	March 2018	TA, duration unknown
Saudi Kayan	Saudi Arabia	300,000 LD	March 2018	TA, 15 days
Tosoh	Yokkaichi, Japan	30,000 LD	March 2018	TA, 2 months
Tosoh	Yokkaichi, Japan	30,000 LL	March 2018	TA, 2 months
Tosoh	Yokkaichi, Japan	25,000 LD	March 2018	TA, 2 months

**S&P Global**  
Platts

**POLYMERSCAN**

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**GLOBAL PRODUCTION UPDATE (continued...)**

Company	Location	Capacity* kt/yr	Timing	Status
Bangkok Polyethylene (of PTTGC)	Map Ta Phut, Thailand	125,000 HD	mid-February 2018	TA, 15 days (only 1 of 2 lines)
Petro Rabigh	Rabigh, Saudi Arabia	600,000 LL	February 2018	TA, duration unknown
Singapore Prime Evolve	Jurong Island, Singapore	300,000 mLL	February 2018	RS following 40-day TA
Formosa USA	Point Comfort, TX, USA	1,500,000 HD	February 7, 2018	FM on HDPE film
Formosa USA	Point Comfort, TX, USA	582,000 LL	February 7, 2018	FM
Yanpet (ExxonMobil-Sabic JV)	Yanbu, Saudi Arabia	400,000 LL	February 2, 2018	TA, 45 days
ExxonMobil	Baton Rouge, LA, USA	400,000 HD	2H January 2018	TA, 10-20 days
Equistar	Matagorda, TX, USA	695,000 HD	January 19, 2018	FM after SD!
Dow Chemical	Plaquemine, LA	200,000 LL	H1 2018	New capacity
Formosa USA	Point Comfort, TX, USA	750,000 HD/LD/LL	2018	New capacity
Sasol	Lake Charles, LA	870,000 LL/LD	Q1 2019	New capacity
Braskem	Rio Grande do Sul, Brazil	72,000 LD (1 unit)	December 4, 2017	SD! following fire & explosion

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

**SUBSCRIBER NOTES (continued...)****Platts clarifies Polymerscan prices dated June 6**

S&P Global Platts seeks to clarify HDPE CFR FE Asia prices published on June 6 on Polymerscan Volume 41 as \$1,365/mt CFR FE Asia instead of \$1,360/mt CFR FE Asia as originally published. Please see the full weekly HDPE assessments as below:  
PC0274 Platts Asian Weekly HDPE Price Assessments - 6Jun18 Symbol Low-High Midpoint Change CFR FE Asia

HDPE YARN \$/mt 1379.00-1381.00 1380.000 -10.000  
HDPE INJ \$/mt 1219.00-1221.00 1220.000 10.000  
HDPE BLMDG \$/mt 1359.00-1361.00 1360.000 -10.000  
HDPE FILM \$/mt 1364.00-1366.00 1365.000 0.000  
CFR SE Asia

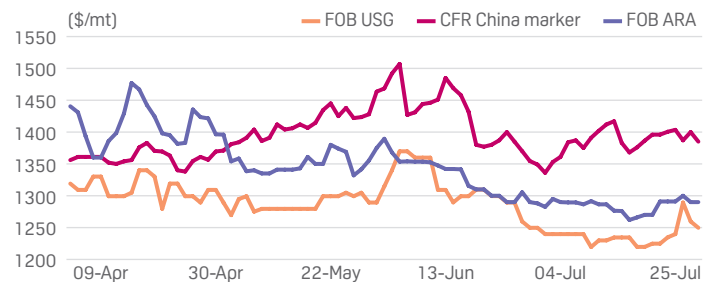
HDPE YARN \$/mt 1379.00-1381.00 1380.000 -10.000  
HDPE INJ \$/mt 1279.00-1281.00 1280.000 0.000  
HDPE BLMDG \$/mt 1379.00-1381.00 1380.000 -10.000  
HDPE FILM \$/mt 1359.00-1361.00 1360.000 -5.000  
CFR S Asia  
HDPE INJ \$/mt 1269.00-1271.00 1270.000 0.000  
HDPE BLMDG \$/mt 1369.00-1371.00 1370.000 0.000  
HDPE FILM \$/mt 1399.00-1401.00 1400.000 50.000  
CHINA DOMESTIC FILM 10980.00-11020.00 11000.000 0.000 (Yuan/mt ex-works) Please send all comments, feedback and questions to [Asia\\_Petchem@spglobal.com](mailto:Asia_Petchem@spglobal.com) and [pricegroup@spglobal.com](mailto:pricegroup@spglobal.com).

# EUROPEAN STYRENE DRIVERS

August 2018 / Data effective July 25, 2018

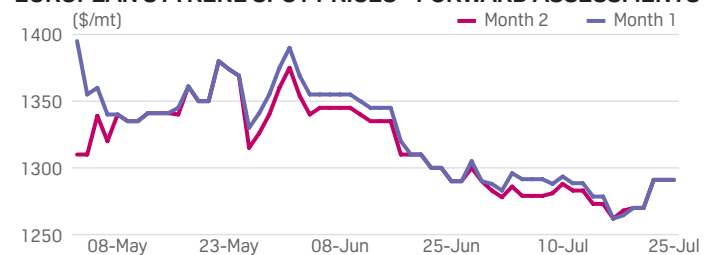
## SHORT TERM DEVELOPMENTS

### GLOBAL STYRENE SPOT PRICES



Source: S&P Global Platts

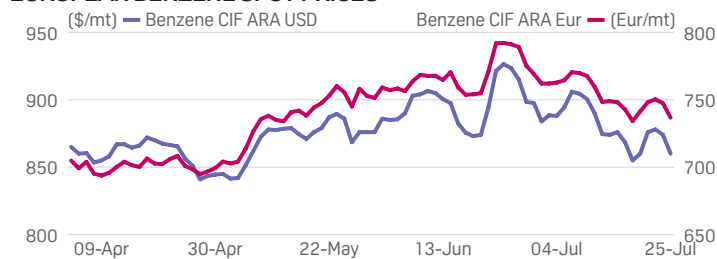
### EUROPEAN STYRENE SPOT PRICES - FORWARD ASSESSMENTS



Source: S&P Global Platts

## EUROPEAN FEEDSTOCK PRICES

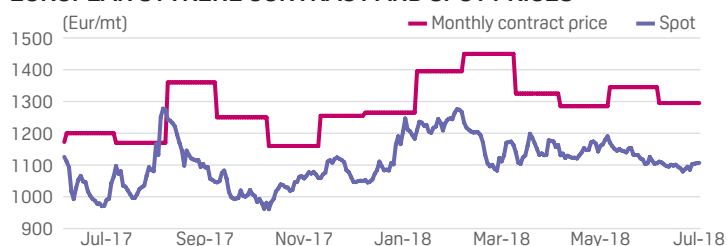
### EUROPEAN BENZENE SPOT PRICES



Source: S&P Global Platts

## HISTORIC TRENDS

### EUROPEAN STYRENE CONTRACT AND SPOT PRICES



Source: S&P Global Platts

## KEY DRIVERS IN AUGUST

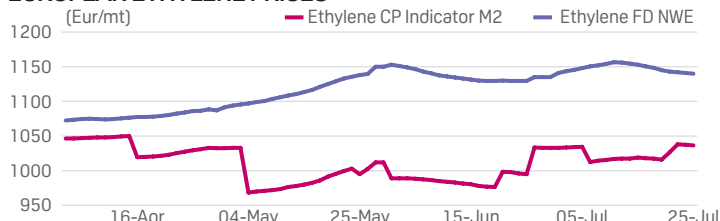
- European styrene market to remain flat to long in August: sources
- US imports expected to continue to add to supply, supported by duties, despite delays caused by issues in the US in late July
- Further imports from the US anticipated to arrive in September
- Market sees small export volumes to Asia
- Synthos plans maintenance works in Europe: sources
- Good supply levels in benzene market point to lower monthly feedstock costs
- Downstream GPPS demand may slow amid summer lull
- GPPS import volumes expected to remain low following closed arbs in June-July

## FOREIGN EXCHANGE RATE



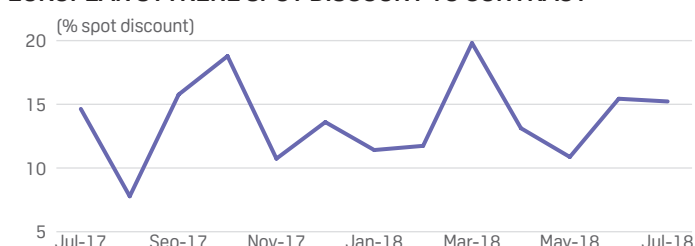
Source: S&P Global Platts

## EUROPEAN ETHYLENE PRICES



\*Reflects calculated or industry-settled gross CP for M2, using a rolling regression model based on independent variables (ethylene, propylene, benzene and naphtha).  
Source: S&P Global Platts

## EUROPEAN STYRENE SPOT DISCOUNT TO CONTRACT



Source: S&P Global Platts



TRADE STATISTICS

Share of EU styrene imports from the US falls to 37% in May

London—The share of the European Union’s imports from the US has fallen to 37% in May, from an average of 64% during January-April, according to the latest data from Eurostat.

The proportion of imports from the US declined in May as US prices were the highest globally for a large part of March, which meant that the EU’s import arbitrage from the US was closed.

The arbitrage opened sporadically in April, which led to small windows to work the trade route.

However, no major turnarounds were planned in May in Europe, which disincentivized traders from importing large volumes from the US.

In May, imports from Russia and Saudi Arabia were recorded at 10,856 mt and 6,191 mt, which accounted for 40% and 23% of the EU’s total imports.

Traders had talked of a surge in imports from the US as a ripple effect from the antidumping duties placed on Chinese styrene imports from the US, Taiwan and South Korea. However, this was not apparent in May.

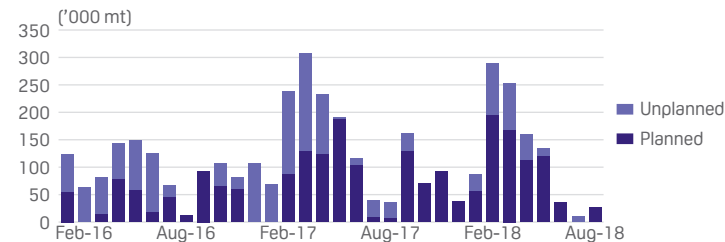
EU STYRENE IN JAN-MAY

	Jan-May 2017	Jan-May 2018	Change on year (%)
<b>Imports</b>			
US	52,458	126,233	141
Russia	47,408	48,983	3
Saudi Arabia	38,429	35,463	-8
<b>Total</b>	<b>150,344</b>	<b>211,548</b>	<b>41</b>
<b>Exports</b>			
Turkey	82,424	69,399	-16
Brazil	19,996	12,605	-37
Egypt	3,044	6,612	117
India	4,645	5,803	25
US	8,355	8,009	-4
China	5,259	125	-98
<b>Total</b>	<b>171,134</b>	<b>139,382</b>	<b>-19</b>

Note: Not all countries have been included  
Source: Eurostat

In January-May as a whole, imports from the US grew 140% on the year. This was mainly due to low imports from the US in Q1 2017 due to extreme tightness in the US market as a result of planned and unplanned production works, rather than the effects from the duties.

GLOBAL STYRENE OUTAGES

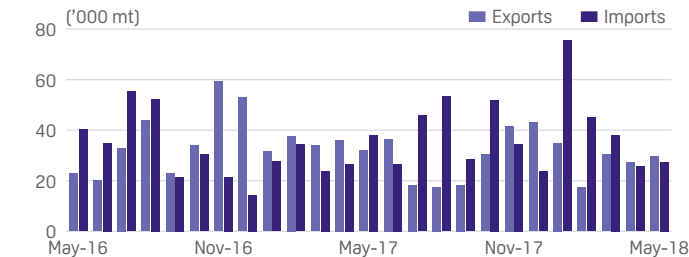


Source: S&P Global Platts Analytics

FEEDBACK

Which section of this report did you find most useful, and what else would you like to see? Let us know what you think at [petchems@spglobal.com](mailto:petchems@spglobal.com).

EU STYRENE TRADE



Source: Eurostat, S&P Global Platts

In terms of exports, volumes fell on a year-on-year basis. In Q1 2017, major production issues in the US meant that EU producers had to step in to supply extra volumes to countries such as Brazil, which typically source the majority of their supplies from the US.

—Yuriko Kato

Softer US styrene prices prompts exports to Europe, Med and Asia: sources

Houston—Softer styrene pricing in the US has prompted an increase in exports out of the US Gulf, sources said Monday.

US spot export pricing was talked as low as \$1,220/mt FOB USG last week, prompting styrene loadings to Europe and the Mediterranean as well as to Asia.

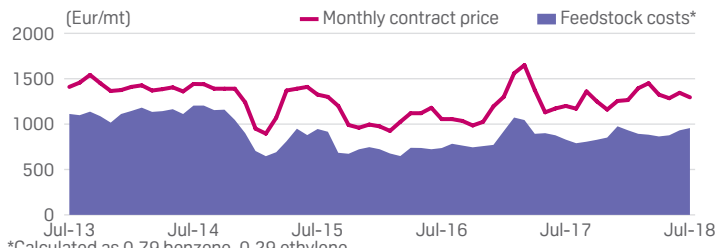
Sources said that two 5,000 mt parcels were expected to load out of the US Gulf at the end of July or early August. In addition to Europe, sources said that a 5,000 mt parcel was fixed for Turkey while a 7,000 mt parcel was heard fixed to Egypt.

Finally, between 5,000-10,000 mt of styrene was expected to load from the US Gulf at the end of July or in early August and destined for Asia, though it was not clear whether or not those fixtures were finalized.

European styrene prices gained \$20 to open the week with August assessed at \$1,291/mt FOB Amsterdam-Rotterdam-Antwerp. At that level and with US spot values heard notionally near \$1,230/mt Monday morning, the spread between the US and Europe was estimated at near \$61/mt prior to freight costs. While arbitrage opportunities to Europe were expected to remain tenuous as derivative markets in the region were heard to be soft.

—Kevin Allen

EUROPEAN STYRENE PRICE AGAINST FEEDSTOCK COSTS



\*Calculated as 0.79 benzene, 0.29 ethylene  
Source: S&P Global Platts