

POLYMERSCAN

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AMERICAS POLYMER SPOT PRICE ASSESSMENTS

	FAS Houston (\$/mt)	US Contract divd railcar (cts/lb)	US Domestic (\$/mt)	FOT Brazil* (\$/mt)	CFR Brazil (\$/mt)	CFR PERU (\$/mt)
PVC SUSP	695-705	58.00-60.00	1278.32 -1322.40	---	805-815	780-790
LDPE G-P	1124-1146	79.00-80.00	1741.16 -1763.20	1425-1435	1215-1225	1240-1250
LLDPE (Butene)	1113-1135	66.00-67.00	1454.64 -1476.68	1375-1385	1225-1235	1265-1275
LLDPE C6	1224-1246	---	---	---	---	---
LLDPE metallocene	1268-1290	---	---	---	---	---
HDPE Inj	1080-1102	70.00-71.00	1542.80 -1564.84	1365-1375	1185-1195	1220-1230
Bmldg	1080-1102	70.00-71.00	1542.80 -1564.84	1355-1365	1185-1195	1210-1220
Film	1113-1135	73.00-74.00	1608.92 -1630.96	1375-1385	1225-1235	1230-1240
Yarn	---	---	---	---	---	---
PP Homo Inj	1290-1312	54.00-55.00	1190.16 -1212.20	1305-1315	1185-1195	1175-1185
Fiber	---	56.00-57.00	1234.24 -1256.28	---	---	---
Copol	1334-1356	---	---	1335-1345	1215-1225	1220-1230
PS G-P	1405-1415	109.00-111.00	2402.36 -2446.44	---	---	---
HIPS	1515-1525	119.00-121.00	2622.76 -2666.84	---	---	---
ABS Inj	---	114.00-116.00	2512.56 -2556.64	---	---	---
PET bottle grade	1091-1113#	1631-1653##	---	---	---	---

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. # 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	789-791	799-801	809-811	^5715-5735 ^^5340-5360
LDPE G-P	1159-1161	1149-1151	---	10130-10170
LLDPE (Butene)	1139-1141	1164-1166	1149-1151	9080-9120
HDPE Inj	1144-1146	1164-1166	1149-1151	---
Bmldg	1144-1146	1164-1166	1184-1186	---
Film	1149-1151	1159-1161	1169-1171	10130-10170
Yarn	1164-1166	1184-1186	---	---
PP Raffia	974-976	974-976	994-996	7780-7820
PP Injection	974-976	974-976	994-996	---
Fiber	---	---	---	---
Copol	1024-1026	1014-1016	1034-1036	---
IPP Film	994-996	994-996	1014-1016	---
BOPP	984-986	994-996	1009-1011	---
PS G-P	1148-1150	1128-1130	---	---
HIPS	1238-1240	1238-1240	---	---
EPS G-P	1118-1120*	---	---	---
EPS F-R	1178-1180*	---	---	---
ABS Inj	1304-1306	1299-1301	---	---
PET bottle grade	894-896 *	909-911 **	---	---

Notes: Asian PVC, PS, and ABS, 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
CFR FE Asia (\$/mt)						
HDPE film	1184-1186	1184-1186	1179-1181	1169-1171	1149-1151	1173.00-1175.00
LDPE	1199-1201	1199-1201	1194-1196	1194-1196	1159-1161	1189.00-1191.00
LLDPE	1149-1151	1149-1151	1149-1151	1149-1151	1139-1141	1147.00-1149.00
PP Raffia	1009-1011	999-1001	969-971	989-991	974-976	988.00-990.00
PP Injection	1009-1011	999-1001	969-971	989-991	974-976	988.00-990.00
FD NWE (Euro/mt)						
LDPE	1378-1382	1378-1382	1378-1382	1378-1382	1328-1332	1368.00-1372.00
LLDPE	1398-1402	1398-1402	1398-1402	1398-1402	1348-1352	1388.00-1392.00
PP Homo	1248-1252	1248-1252	1248-1252	1248-1252	1198-1202	1238.00-1242.00
FCA Antwerp (Euro/mt)						
LDPE	1358-1362	1358-1362	1358-1362	1358-1362	1308-1312	1348.00-1352.00
LLDPE	1378-1382	1378-1382	1378-1382	1378-1382	1328-1332	1368.00-1372.00
PP Homo	1228-1232	1228-1232	1228-1232	1228-1232	1178-1182	1218.00-1222.00
FAS Houston (\$/mt)						
LDPE	1157-1179	1157-1179	1146-1168	1135-1157	1124-1146	1143.80-1165.80
LLDPE	1157-1179	1157-1179	1146-1168	1135-1157	1113-1135	1141.60-1163.60
PP Homo	1290-1312	1290-1312	1279-1301	1279-1301	1290-1312	1285.60-1307.60
HDPE Blmldg	1113-1135	1113-1135	1102-1124	1091-1113	1080-1102	1099.80-1121.80
FOB Middle East Netbacks (\$/mt)						
HDPE	1171-1173	1171-1173	1166-1168	1156-1158	1136-1138	1160.0-1162.0
LDPE	1186-1188	1186-1188	1181-1183	1181-1183	1146-1148	1176.00-1178.00
LLDPE	1136-1138	1136-1138	1136-1138	1136-1138	1126-1128	1134.00-1136.00
PP Raffia	996-998	986-988	956-958	976-978	961-963	975.00-977.00
PP Injection	996-998	986-988	956-958	976-978	961-963	975.00-977.00

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	20-25	11-15
South China	24-29	15-20
India	30-36	23-29
Southeast Asia	21-41	17-35
NW Europe	55-65	50-60
Turkey	50-70	40-60
US Gulf	125-135	115-125
Latin America	165-175	160-165

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

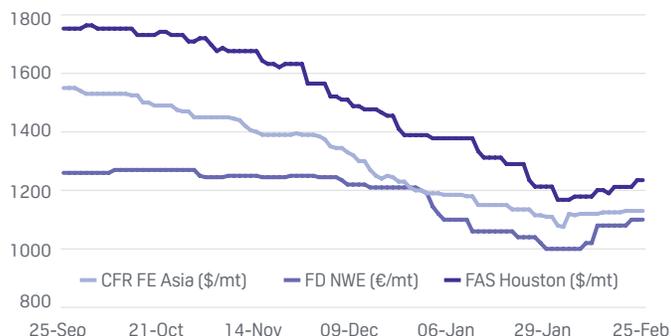
METALS

Aluminum	US	Aug 24	cts/lb	75.131
Tin	US	Aug 24	cts/lb	712
Tin	Europe	Aug 21	\$/mt	16175-16308

FOREIGN EXCHANGE

€1 to	\$1.1231	£1 to	€1.3686
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GLOBAL LDPE PRICES



SUBSCRIBER NOTES:

Platts to discontinue posted US ethylene contract assessment Platts will discontinue its US ethylene posted contract price assessment from December 1, 2015. The decision comes after a formal comment period. The change was first proposed May 15, 2015. Market feedback indicates domestic business has moved away from referencing and using the posted price in contract settlements. The assessment is also currently published in the Platts Petrochemical Alert on pages PC301 and PC006. Affected assessments: Ethylene USG Posted CP cts/lb -- PHAJI00 Ethylene USG Posted CP cts/lb MAVg -- PHBDC03 Please send any feedback or questions to petchems@platts.com and pricegroupplatts.com. For written comments, please provide a clear indication if 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.

Platts launches Asia metallocene C6 LLDPE assessments Platts is launching CFR China, CFR Southeast Asia, CFR South Asia metallocene C6 linear low density polyethylene prices on a weekly basis from September 30, 2015. The assessment methodology for metallocene C6 LLDPE is as follows: Assessment process: Weekly assessments of metallocene C6 LLDPE will be based on latest information sourced from the market up to the end of the Platts Market on Close assessment process at 4:30 pm Singapore time (0830 GMT) on Wednesdays. Timing: Cargoes for delivery 15-30 days forward from date of publication. Basis and locations: CFR China: Shanghai, Ningbo, Xiamen, Shenzhen, Huangpu, Guangzhou, Xingang, Qingdao, Shantou and Tianjin; CFR South East Asia: Indonesia (Jakarta, Surabaya), Singapore, the Philippines (Manila Bay), Malaysia (Port Klang), Thailand (Map Tap Phut, Laem Chabang), Vietnam (Ho Chi Minh); CFR South Asia: India (Kolkata, Chennai, Mumbai, Nhava Sheva), Pakistan (Karachi). Cargo size: 100-500 mt Terms and conditions: LC 30-90 days credit terms Quality specification: 1-Hexene comonomer with a density of 918-940 kg/m³ with a melt flow index between 1.0-4.5 Please send any feedback, questions, or comments to petchems@platts.com with a copy to pricegroupplatts.com. For written comments, please provide a clear indication if comments are not intended for publication by Platts for public viewing. Platts [\(continued on page 32\)](#)

EURO CONTRACT ASSESSMENTS (Euro/mt)

	Germany	Holland	Italy	France	Spain	Britain*	FD NWE CP** (\$/mt)
PVC susp Gross	958-962	958-962	958-962	958-962	958-962	702-706	1091-1095
PVC susp Net	933-937	933-937	933-937	933-937	933-937	682-686	
LDPE G-P	1648-1652	1648-1652	1618-1622	1643-1647	1618-1622	1174-1177	1877-1881
LLDPE C4 (Blown film)	1678-1682	1678-1682	1678-1682	1678-1682	1678-1682	1196-1199	1911-1916
LLDPE C4 (Cast stretch film)	1678-1682	1678-1682	1678-1682	1678-1682	1678-1682	1196-1199	1911-1916
LLDPE C6 (Blown film)	1678-1682	—	—	—	—	—	1911-1916
LLDPE C6 (Cast stretch film)	1678-1682	—	—	—	—	—	1911-1916
HDPE Inj	1588-1592	1588-1592	1588-1592	1588-1592	1588-1592	1132-1134	1809-1813
HDPE Bmldg	1588-1592	1588-1592	1588-1592	1588-1592	1588-1592	1132-1134	1809-1813
HDPE Film	1598-1602	1598-1602	1598-1602	1598-1602	1598-1602	1139-1142	1820-1825
HDPE HMW 2-5	1608-1612	1608-1612	1608-1612	1608-1612	1608-1612	1146-1149	1831-1836
HDPE HMW 5-10	1603-1607	1603-1607	1603-1607	1603-1607	1603-1607	1142-1145	1826-1830
PP Homo Inj	1425-1430	1425-1430	1415-1420	1425-1430	1415-1420	1015-1019	1623-1629
PP Copol	1475-1480	1475-1480	1465-1470	1475-1480	1465-1470	1051-1055	1680-1686
GPPS Net	1503-1507	1503-1507	1503-1507	1503-1507	1503-1507	1071-1074	1712-1716
HIPS Net	1583-1587	1583-1587	1583-1587	1583-1587	1583-1587	1128-1131	1803-1807
EPS	1538-1542	1538-1542	1538-1542	1538-1542	1538-1542	1096-1099	1752-1756
ABS GP/Nat	1703-1707	—	1703-1707	1703-1707	1703-1707	1214-1216	1940-1944
ABS Ave color	1833-1837	—	1833-1837	1833-1837	1833-1837	1306-1309	2088-2092
ABS Auto black	1973-1977	—	1973-1977	1973-1977	1973-1977	1406-1409	—
PET bottle grade	1051-1055	—	1051-1055	1051-1055	1051-1055	728-732	
PET bottle grade	—	—	—	—	—	1022-1027##	
PET bottle grade Net	973-977	—	—	—	—	707-711	1108-1113
PET bottle grade Net	—	—	—	—	—	992-998##	
APET film grade	1040-1044						
APET film grade Net	963-967						

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. LLDPE C6 denotes products from Ziegler-Natta catalyst.

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)
PVC SUSP (\$/mt)	961-965	888-892	—	736-740 838-842	878-882	—	—
LDPE G-P	1444-1449	1328-1332	1308-1312	1278-1282	1253-1257	1248-1252	—
LLDPE (Butene)	—	1348-1352	1328-1332	1298-1302	1274-1278	1228-1232	—
LLDPE C6	—	1418-1422	—	—	—	—	—
LLDPE metallocene	—	1498-1502	—	—	—	—	—
HDPE Inj	1547-1551	1418-1422	1398-1402	1368-1372	1263-1267	1243-1247	—
Bmldg	1547-1551	1418-1422	1398-1402	1368-1372	1263-1267	1243-1247	—
Film	1592-1597	1458-1462	1438-1442	1408-1412	1263-1267	1243-1247	—
PP Homo Inj	1296-1301	1198-1202	1178-1182	1158-1162	1146-1150	1066-1070	—
PP Raffia	—	—	—	—	1093-1097	1046-1050	—
PP Copol	1353-1358	1248-1252	1228-1232	1208-1212	1171-1175	1146-1150	—
PS G-P	1524-1528	1398-1402	—	—	1278-1282	1278-1282	—
HIPS	1615-1620	1478-1482	—	—	1318-1322	1318-1322	—
EPS	1581-1585	1448-1452	—	—	1298-1302	—	—
ABS GP/Nat	1698-1702***	1623-1627	—	—	—	—	—
PET bottle grade	—	893-897	—	—	—	—	658-662
PET bottle grade	—	—	—	—	—	—	923-929#
Recycled PET	—	818-822	—	—	—	—	598-602
Recycled PET	—	—	—	—	—	—	839-845#

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

- **NWE Buyers waiting for lower prices**
- **Turkish prices stable on absence of Asian offers**

The Northwest European August contract price fell Eur5/mt week-on-week and Eur40/mt on the month to Eur935/mt FD NWE, on lower demand. Selling ideas were heard pegged at Eur935-940/mt FD NWE. The spot price decreased Eur20/mt on the week to Eur890/mt FD NWE. Prices were heard pegged at Eur870-920/mt FD NWE. Platts assessed within the range at Eur890/mt. Backwardation looks likely in September. The September contract price of feedstock ethylene settled fully Wednesday at Eur945/mt (\$1,076/mt), down Eur90/mt month-on-month. Buyer Clariant settled with LyondellBasell for the initial settlement, and BASF and Vinnolit followed the settlement. All parties confirmed. The initial settlement followed weakness in naphtha prices. Naphtha was at \$351.75/mt Tuesday, down from \$457.25/mt when the ethylene contract price last settled. There is little buying activity in PVC. "Demand is low and now market sentiment just further slowed down buying interest," a PVC production source said. The drop in ethylene will prompt declines in September, "I assume converters will wait a little bit just to see who will offer what, also because the majority of buyers are not hungry for volumes," the source added. In Turkey, offers ex-Europe were heard pegged at \$880-900/mt CFR Turkey. "There is not much buyer interest in the market due to decreasing oil, slowing down economic interest et cetera," a Turkey based trade source said. European offers are not subject to import duty. Falls in other polymers on the Turkish market, on aggressive Asian offers following the devaluations of the yuan, were not witnessed in PVC. European PVC is currently more competitive than Asian material. "Asian-origin PVC has disappeared from the market," the source added.

Rationale

The NWE August contract price decreased Eur5/mt week-on-week and Eur40/mt on the month to Eur935/mt FD NWE, on lower demand. Selling ideas were heard pegged at Eur935-940/mt FD NWE. The spot price fell Eur20/mt on the week to Eur890/mt FD NWE. Prices were heard pegged at Eur870-920/mt FD NWE. Platts assessed within the range at Eur890/mt. Turkey prices were heard at \$880-900/mt CFR ex-Europe, no duty applicable. Platts assessed flat on the week at \$880/mt.

United States

- **Domestic September prices expected down**
- **US spot ethylene recovers from six-year low**

US export PVC prices dropped \$20/mt for the week, assessed Wednesday at \$695-705/mt FAS Houston, amid talk of declining overseas buying interest, lower producer offers, and ample production rates. Sources discussed continued mixed expectations for upcoming

months. A number of sources said short selling has occurred near the \$650-\$680/mt FAS Houston level, but they expressed skepticism that US producers would move down to that level, as short-selling offers have dropped nearly \$100/mt thus far in the month. Sources talked September pricing lower from August levels with muted overseas demand and declining expectations for domestic September prices. In feedstocks, US spot ethylene prices recovered 3 cents/lb week on week to 25.75-26.25 cents/lb FD USG for August deliveries, after it reached an 80-month low on Monday at 22 cents/lb FD USG. The increase followed market murmurs of increased ethylene producer buying interest amid recent bouts of production disruptions.

Rationale

US export PVC on a three- to 30-day basis was assessed at \$695-\$705/mt FAS Houston, down \$20/mt for the week as September trading levels were pegged at the \$700/mt FAS Houston range, following bids at \$650-\$680/mt FAS Houston and offers at \$715-\$740/mt FAS Houston. Domestic contract prices for August were not yet settled. July prices were heard settled flat from May and June domestic contract prices at 58-60 cents/lb delivered, sources said.

Asia

- **Offers lowered amid weak demand**
- **Thin activity across Asia**

The CFR India PVC marker fell \$50/mt week on week to be assessed at \$810/mt Wednesday, after Taiwan's Formosa Plastics responded to thin trading by lowering its September-loading offers into India by \$30/mt to \$840/mt CFR India. Offers on a CFR China and FOB Taiwan basis were also lowered by \$30/mt to \$800/mt CFR China and \$770/mt FOB Taiwan, respectively, in line with market expectations of more competitive PVC prices on the back of falling production costs. Offers in India were heard this week at \$830-\$840/mt, against bids below \$800/mt. A trade was heard for a September-loading cargo at \$810/mt CFR India. Details were sketchy. No offers were heard for Chinese carbide-based PVC. Trading was thin amid bearish sentiments, several sellers said. "Buyers are waiting in anticipation of lower PVC offers in line with declining feedstock costs," a source said. Demand around Asia continued to be feeble for August amid the ongoing monsoons in India, deepening economic slowdown in China and weakening currencies across Southeast Asia. The CFR China marker was assessed at \$790/mt, down \$38/mt week on week. Deepsea offers from the US Gulf were into China at \$700-\$730/mt FAS Houston this week, with no trades confirmed. The CFR Southeast Asia marker was assessed at \$800/mt Wednesday, down \$30/mt week on week, with trades heard around that level. Both domestic China ethylene-based PVC and carbide-based PVC were assessed flat week on week at Yuan 5,725/mt and Yuan 5,350 /mt, respectively. Upstream — pulled down by the weakness in crude and naphtha — spot ethylene prices declined by around \$96/mt week on week, with the CFR Northeast Asia assessed at \$849/mt Wednesday. In data out this week, China imported 49,463 mt of PVC in July, down 12.57% from June. PVC exports from China rose to 62,185 mt in July, a 19.41% increase from

June, but down 55.62% on the year, according to the latest General Administration of Customs data.

Rationale

The CFR India marker was assessed at \$810/mt Wednesday, down \$50/mt week on week. Offers in India were heard this week at \$830-\$840/mt, against bids below \$800/mt. A trade was heard for a September-loading cargo at \$810/mt CFR India, Details were sketchy. The CFR China marker was assessed at \$790/mt, down \$38/mt week on week. Deepsea offers from US Gulf into China were heard at \$700-\$730/mt FAS Houston this week, or around \$770-\$800/mt CFR China, with no trades confirmed. The CFR Southeast Asia marker was assessed at \$800/mt Wednesday, down \$30/mt week on week, with trades heard around that level. Both domestic China ethylene-based PVC and carbide-based PVC were assessed flat at Yuan 5,725/mt and Yuan 5,350/mt, respectively, unchanged week on week.

Latin America

- **Import pricing declines \$25/mt in Brazil**
- **Prices dip in Peru amid limited offers**

Import pricing for PVC in Peru fell \$20/mt for the week, assessed Wednesday at \$780-\$790/mt CFR basis, as the number of offers from the US dwindled amid market uncertainty, market participants said. Bids for material was heard under \$800/mt CFR basis. "There are not a lot of offers, but it may be more of an indication of our economies versus demand fundamentals," a regional buyer said. The economy in Peru has struggled as of late and imports from the US have been difficult due to the US dollar's strength compared to the Peruvian sol. Meanwhile, FAS Houston pricing declined on the week as Platts assessed export pricing out of the US Gulf Coast region \$20/mt lower at \$700/mt FAS Houston. In Brazil, PVC import pricing fell \$25/mt week on week, assessed at \$805-\$815/mt CFR. Traders and other sources talked notional trading levels at \$790-\$800/mt CFR basis with CAD payment amid thin trade activity, sources said. At least one source said PVC notional trading level was as low at \$780/mt but other participants said it was not representative of the market. "Selling at \$780/mt CFR does not work because this is the net price from producer," a Brazil-based distributor said. "Producers are opting to reduce their production instead selling material for low profit." Participants said prices for volumes higher than 100 mt were close to \$800/mt and close to \$810/mt for volumes lower than 100 mt. "Prices are dropping globally," a Brazil-based trader said, adding that buyers in Brazil were interested only in small volumes. The strong US dollar against Brazilian real was also keeping potential buyers from importing material, sources have said. Wednesday's exchange rate was 3.6046 reals/US dollar. Market participants also pointed out the weak demand in India due to the rain season. "This was pressuring producers to reduce prices in other regions," a Brazil-based distributor said.

Rationale

CFR Brazil: The assessment fell \$25/mt to \$805-\$815/mt CFR basis, based on notional trading levels at \$790-\$800/mt CFR basis with CAD

payment. When normalized to adjust for payment terms with a \$20/mt premium for credit, the price level was at \$810/mt CFR Brazil. The assessment was in the lower end of the range accounting for weak demand. CFR Peru: Import spot pricing assessments fell \$20/mt for the week to \$780-\$790/mt CFR basis, based on the FAS Houston assessment at \$700/mt CFR basis. The price was assessed \$85-\$90/mt above the FAS Houston price to account for shipping.

LOW DENSITY POLYETHYLENE

Europe

- **Spot prices fall on dropping demand**
- **Contracts unchanged**

The Northwest European contract price for ethylene for September was fully settled Wednesday at Eur945/mt (\$1,078/mt), down Eur90/mt on the month. Buyer Clariant settled with LyondellBasell for the initial settlement, and BASF and Vinnolit followed the settlement. All parties confirmed. The initial settlement followed weakness in naphtha prices. Naphtha was at \$351.75/mt Tuesday, down from \$457.25/mt when the ethylene contract price last settled. Low density polyethylene spot prices fell this week on continued weak demand and solid availability, sources said this week. Prices closed Wednesday at Eur1,330/mt, down Eur50/mt on the day. In the contract market, prices were assessed flat, closing Wednesday at Eur1,650/mt. One converter said availability had improved a lot and prices were expected to fall more than monomer. Turkish petrochemical producer Petkim cut its polypropylene, low density polyethylene and high density polyethylene film prices this week following a plunge in upstream prices and weak demand, a source said Monday. LDPE prices were listed \$40/mt lower at \$1,485-\$1,495/mt FCA Aliaga. HDPE film prices were listed \$40/mt lower, at \$1,460/mt FCA Aliaga.

Rationale

LDPE spot prices were assessed at Eur1,330/mt, down Eur50/mt on the day. Indications ranged from Eur1,320-1,450/mt. Platts assessed at the lower end on bearish price expectations. Contract prices were unchanged week-on-week at Eur1,650/mt. Outright indications ranged from Eur1,600-1,650/mt, and did not disprove prices.

United States

- **Domestic contracts fall for August**
- **Export prices down \$33/mt for week**

US low-density polyethylene contracts fell by 5 cents/lb for August, as multiple factors ranging from lower feedstock costs, weaker domestic sales and declining global pricing helped erase gains from Q2. August domestic LDPE contracts were assessed at 79-80 cents/lb (\$1,742-\$1,763/mt) for delivered rail cars. The 5 cents/lb decrease had been expected, even as several major producers agreed to cut prices by 3 cents/lb earlier in the month. Further decreases remain likely over the

next two months, sources said, with suggestion by some in the market that an additional 4-5 cents/lb drop could be warranted by the end of October. With global oil prices moving lower of late, there was renewed threat of lost finished-goods manufacturing from the US to Asia if the gap between the two regions continues to widen, sources said. Weaker global sentiment was also impacting export prices from the US, which fell by \$33/mt week on week to an assessment of \$1,124-\$1,146/mt (51-52 cents/lb) FAS Houston. There was some talk of tightness in the market, limiting availability for some traders. Still, prices for bulk rail cars were generally talked below 50 cents/lb, with offers to Latin America also talked in ranges that would netback to that level. Traders remained hesitant to take positions at the current price level without a buyer in place, sources said, with some traders noting that they were currently forced to offer older inventories at a loss due to the quick fall in prices over the past two months.

Rationale

US LDPE prices were assessed Wednesday at \$1,124-\$1,146/mt (51-52 cents/lb) FAS Houston, a drop of \$33/mt on the week. Rail car prices for traders were pegged at 48-49 cents/lb by multiple sources. The FAS Houston assessment factors in packaging and transportation to port costs of around 3 cents/lb (\$66/mt), per market feedback. August domestic contracts were assessed at 79-80 cents/lb, a drop of 5 cents/lb from July after producers agreed to price concessions at that level this week.

Asia

- Outlook bearish on weak Yuan
- Hanwha to shut LDPE plant in Oct

Asian low density polyethylene prices fell \$30-35/mt this week on thin demand amid uncertainty over economic growth in China and low global crude oil prices. October ICE Brent futures were down 7 cents/barrel day on day at \$43.38/b at 4:30 pm Singapore time (0830 GMT). End-user LDPE inventory across Asia was low but converters were in no rush to buy as demand for their products was lower than usual for this time of year. Market participants said fundamental demand was very weak and the yuan depreciation was making it more expensive for Chinese polymer companies to pay offshore debts accrued after the Chinese government tightened credit. Many expected conditions to remain weak until the end of the year. There was an increase in prompt payments and observers said these typically received a discount for being made in cash. In related news, production of Russian polyethylene rose 33% year on year to 159,080 mt in July, latest customs data showed. Around 5,294 mt of the total was exported to Thailand and 4,855 mt to South Korea. In plant news, China's CNOOC and Shell Petrochemicals Co. plans to shut its 250,000 mt/year LDPE plant in Guangdong for about a month of maintenance in October, while South Korea's Hanwha Chemical Corp. will shut its 120,000 mt/year LDPE/ethylene vinyl acetate swing plant in Ulsan and 327,000 mt/year similar plant in Yeosu in October for annual maintenance, a company source said.

Rationale

LDPE was assessed down \$35/mt week on week at \$1,160/mt CFR Far East Asia Wednesday on lower buy and sell indications. The CFR Southeast Asia marker was assessed down \$30/mt over the same period at \$1,150/mt, taking into consideration a deal heard at \$1,150/mt CFR Southeast Asia for end September.

Latin America

- Brazil falls \$50/mt as weak demand persists
- Peru buyers keep inventories low: sources

Import assessments for low-density polyethylene in Peru fell \$15/mt week on week, assessed Wednesday at \$1,240-\$1,250/mt CFR basis amid weak demand and as offers for US-origin product moved lower into the region, sources said. US-origin offer levels were heard in a range of \$1,260-\$1,280/mt CFR Peru basis, shedding \$10-\$30/mt lower for the week. At least one participant said he was being offered material from the US at \$1,210/mt CFR basis. Other market players dismissed the offer as too low but indicated prices might be heading in that direction. Lower offers failed to spark interest in Peru, where the economy continues to slip, sources said. "The sol has lost value against the US dollar and the economy has not stabilized," a Peru-based distributor said. Meanwhile, end users are buying in smaller quantities and inventories are being managed carefully due to declining demand, sources said. In Houston, the FAS price fell \$33/mt lower on the week to an assessment of \$1,124-\$1,146/mt. In Brazil, the LDPE assessment fell \$50/mt on the week to \$1,215-\$1,225/mt CFR Brazil on slow demand and aggressive offers from Asia and US. Sources in Brazil talked notional trading levels for LDPE at \$1,200/mt with cash-against-documents payment. But the prices drops did not seem to be attractive, sources said. "We are looking very carefully at the exchange rate before we focus on additional sales," a US-based trader said. Multiple sources said the strong US dollar relative to the real was keeping buyers from importing. The exchange rate stood at 3.6046 reals/US dollar on Wednesday. For exports from Brazil to Mercosur countries, assessments remained stable week on week at \$1,425-\$1,435 FOT basis, on unchanged offers from Braskem, Brazil's main producer and seller. Participants in Paraguay said Brazil-origin offers for August were heard at \$1,550/mt CPT basis. These levels included transportation to the warehouse, sources said. Similar prices were also heard in Uruguay.

Rationale

CFR Peru: The LDPE assessment fell \$15/mt to \$1,240-\$1,250/mt CFR basis, based on a US-origin offer at \$1,260/mt CFR basis. The price was assessed \$15/mt below the offer to account for negotiation and weak demand. CFR Brazil: The LDPE assessment fell \$50/mt to \$1,215-\$1,225/mt based on notional trading levels at \$1,200/mt CFR basis, with CAD payment. When normalized to adjust for payment terms, by way of a \$20/mt premium, the price level was at \$1,220/mt CFR Brazil. The price was assessed at that level. No bids, offers or deals were available by close of assessment. FOT Brazil: The assessment remained stable at \$1,425-\$1,435/mt on stable Braskem offers into the

region at \$1,550/mt CPT Paraguay, which included transportation to warehouse. The assessment accounted for freight costs estimated at \$100/mt and negotiation at \$20/mt.

LINEAR LOW DENSITY POLYETHYLENE

Europe

- **Ethylene CP settles down Eur90/mt for September**
- **Contracts unchanged**

The Northwest European contract price for ethylene for September was fully settled Wednesday at Eur945/mt (\$1,078/mt), down Eur90/mt on the month. Buyer Clariant settled with LyondellBasell for the initial settlement, and BASF and Vinnolit followed the settlement. All parties confirmed. The initial settlement followed weakness in naphtha prices. Naphtha was at \$351.75/mt Tuesday, down from \$457.25/mt when the ethylene contract price last settled. European linear low density polyethylene prices continued to fall this week due to bearish price expectations attributed to falling feedstocks. Prices closed Wednesday at Eur1,350/mt, down Eur50/mt on the day. In the contract market, prices were assessed unchanged, closing Wednesday at Eur1,680/mt. One producer said there is not much material moving this month anymore as market participants awaited a decrease in the ethylene contract prices. In other news, Russia boosted its polyethylene self sufficiency in July compared with a year earlier on lower imports and higher production, according to the latest data from Russia's Federal Customs Service, and Rosstat, the Russian Federal statistics agency. Production of Russian polyethylene rose 33% year-on-year to 159,080 mt. Imports fell 49% over the same period to 32,784 mt. Thailand was the largest source of imports on 5,294 mt, followed by South Korea, and Germany, on 4,855 mt, and 4,171 mt, respectively.

Rationale

European LLDPE prices were assessed at Eur1,350/mt, down Eur50/mt on the day. Indications ranged from Eur1,300's to Eur1,480/mt. Platts assessed at the lower end on bearish prices. Contracts were assessed at Eur1,680/mt. Outright indications were at Eur1,650-1,680/mt and did not disprove prices. MLLDPE, and standard C6 were both down Eur50/mt, mirroring the fall in LLDPE.

United States

- **Domestic contracts fall 5 cents/lb**
- **Export prices down \$22-\$44/mt for week**

US linear-low density butene domestic contracts were assessed 5 cents/lb lower for August after major US producers were heard conceding the decrease to buyers this week. LLDPE butene contracts were assessed for August at 66-67 cents/lb (\$1,455-\$1,477/mt) for delivered rail cars. Most US producers had previously agreed to 3 cents/lb decreases earlier in the month, but several factors — including lower feedstock costs, weaker domestic sales and declining

global pricing — had continued to put pressure on producers to offer and additional decrease, which most did Tuesday and Wednesday, sources said. There was talk that additional decreases could be warranted in the coming months, sources said. With global oil prices moving lower of late, there was renewed threat of lost finished-goods manufacturing from the US to Asia if the gap between the two regions continues to widen, sources said. Lower global prices also continued to pressure export markets. US LLDPE export prices were assessed \$22-\$44/mt lower on the week. LLDPE butene was assessed at \$1,113-\$1,135/mt (50.5-51.5 cents/lb) FAS Houston, a drop of \$44/mt week on week. LLDPE hexene prices were assessed Wednesday at \$1,224-\$1,246/mt (55.5-56.5 cents/lb) FAS Houston, down \$22/mt, while metallocene was assessed at \$1,268-\$1,290/mt (57.5-58.5 cents/lb) FAS Houston, down \$33/mt week on week. There was some tightness in the butene and hexene markets, which was limiting availability for some buyers, sources said, noting that Formosa Plastics was still short on material due to an unexpected production outage at its Point Comfort, Texas, facility earlier this month.

Rationale

US LLDPE butene prices were assessed Wednesday at \$1,113-\$1,135/mt (50.5-51.5 cents/lb) FAS Houston, down \$44/mt on the week, based on export rail car pricing talked at 48 cents/lb. The FAS Houston assessment factors in packaging and transportation to port costs of around 3 cents/lb (\$66/mt), per market feedback. Metallocene was assessed at \$1,268-\$1,290/mt (57.5-58.5 cents/lb) FAS Houston, down \$33/mt. Rail car prices to traders were pegged at a 7-cent (\$154/mt) premium to butene. LLDPE hexene prices were assessed at 1,224-\$1,246/mt (55.5-56.5 cents/lb), down \$22/mt, based on rail car pricing indications at 52-54 cents/lb. August LLDPE butene domestic contracts were assessed at 66-67 cents/lb (\$1,455-\$1,477/mt) for delivered rail cars, down 5 cents/lb from July after producers agreed to price concessions at that level.

Asia

- **End-users keep inventories low**
- **India extends polymer price protection**

Asian linear low density polyethylene prices fell \$10-\$40/mt week on week amid limited demand for imported cargoes in China. All buyers were either adopting a wait-and-see attitude or buying only when needed, keeping their inventory very low as storage was an added cost and a risk in a falling market. There was oversupply in China, observers said, as the current naphtha-to-polyethylene spread was more than \$800/mt, which compared to a \$500/mt breakeven cost. Naphtha was assessed Wednesday at \$377/mt CFR Japan for September, down \$11.50/mt. Some market observers noted an increase in the number of sellers asking for payment on a cash-in-advance or telegraphic transfer basis instead of extending credit, as many small Chinese companies were said to be financially shaky amid current economic uncertainties. Indian producers extended a price protection scheme for customers until August 31, citing poor demand. In plant news, Hanwha's 385,000 mt/year linear low density polyethylene plant at

Yeosu is expected to shut in November for around 5-10 days, it said. China's Sinopec Yangzi Petrochemical has shut its 200,000 mt/year LLDPE facility in Nanjing for maintenance until the end of August, a source close to the company said. China's Shenyang Chemical shut its 100,000 mt/year LLDPE plant in Liaoning province on August 11 for regular maintenance until the end of the month. China's Zhongyuan Petrochemical plans to take its 260,000 mt/year LLDPE unit in Henan offline in October for a 45-day maintenance.

Rationale

LLDPE was assessed down \$10/mt week on week at \$1,140/mt CFR Far East Asia Wednesday. Buying indications were heard at \$1,100/mt CFR FE Asia (China) from traders. September cargoes of Qatari and Saudi origin were heard offered at \$1,160/mt CFR China via traders, versus buying ideas were heard below domestic cargo import parity prices of \$1,130/mt CFR China, with a 90-day letter of credit. The CFR South Asia marker was assessed at \$1,150/mt, down \$40/mt week on week. Some Saudi and Qatari-origin cargoes were heard discussed at \$1,140-\$1,150/mt CFR South Asia (India).

Latin America

- **Peru price down 16.5% since early June**
- **US dollar at 2015 high vs. real**

In Peru, linear-low density polyethylene import assessments dipped \$10/mt week on week, assessed Wednesday at \$1,265-\$1,275/mt CFR basis, as US-origin offers trended lower into the region, sources said. US-origin LLDPE offers were heard as low as \$1,285/mt CFR, \$5/mt lower week on week. Elsewhere, the US FAS Houston price fell \$44/mt lower on the week to \$1,113-\$1,135/mt FAS Houston basis. LLDPE assessments have shed \$210/mt — or 16.5% — since June 3, per Platts data. Lower PE offers into the region have not contributed to robust trading, however, as market sentiment was that end user demand remains weak. Economic conditions are a concern to participants who count on buyers to produce goods. "Buyers are looking to buy the minimum," a Peru-based distributor said. In Brazil, import pricing fell \$10/mt week on week to \$1,225-\$1,235/mt CFR basis amid weak demand, with multiple US notional trading levels at \$1,210-\$1,220/mt with cash-against-document (CAD) payment. "But these prices don't work in Brazil due to competitive domestic prices and strong dollar" a Brazil-based trader said. "In terms of market, we are in a sharp slowdown," a Brazil-based distributor said. The US dollar against the real was considered a main obstacle to importing material, sources said. Wednesday's exchange rate was 3.6046reals/US dollar, a 2015 high. In exports out of Brazil, FOT basis assessments remained stable as offers from Braskem were heard unchanged into the Mercosur region. LLDPE was assessed at \$1,375-\$1,385/mt FOT Brazil. Offers from Brazil were at \$1,500/mt FOT Brazil.

Rationale

CFR Peru: The LLDPE assessment fell \$10/mt to \$1,265-\$1,275/mt based on a US-origin offer at \$1,285/mt. The price was assessed \$15 below the offer to account for negotiation and weak demand. CFR Brazil: The LLDPE assessment fell \$10/mt to \$1,225-\$1,235/mt CFR

basis on the week, based on notional trading levels from Asia at \$1,210-\$1,220/mt CFR Brazil with CAD payment. When normalized to adjust for payment terms, by way of a \$20/mt premium, the offer was at \$1,230/mt. The assessment was on the low end of the range to account for weak demand. FOT Brazil: The LLDPE import assessment was stable on week at \$1,375-\$1,385/mt FOT Brazil. The assessment was based on Braskem offers at \$1,500/mt CPT Paraguay. It was assessed \$120/mt below offer to account for freight and negotiation.

HIGH-DENSITY POLYETHYLENE

Europe

- **Spot falls on tumbling feedstocks**
- **Contracts unchanged**

The Northwest European contract price for ethylene for September was fully settled Wednesday at Eur945/mt (\$1,078/mt), down Eur90/mt on the month. Buyer Clariant settled with LyondellBasell for the initial settlement, and BASF and Vinnolit followed the settlement. All parties confirmed. The initial settlement followed weakness in naphtha prices. Naphtha was at \$351.75/mt Tuesday, down from \$457.25/mt when the ethylene contract price last settled. European high density polyethylene spot prices fell this week as weak demand remained owing to the vacation period and falling feedstocks. Spot prices were assessed at Eur1,420/mt for injection, Eur1,420/mt for blowmolding, and Eur1,460/mt for film. Contracts were assessed unchanged closing Wednesday at Eur1,590/mt, Eur1,590/mt, and Eur1,600/mt for injection, blowmolding, and film respectively. One producer said it was a very quiet market and people were expecting a feedstock drop for September. However, stocks were said to be low throughout the chain. One trader said a number of converters were still on holiday, and the market was quiet. Turkish petrochemical producer Petkim cut its polypropylene, low density polyethylene, and high density polyethylene film prices this week following a plunge in upstream prices and weak demand, a source said Monday. HDPE film prices were listed \$40/mt lower at \$1,460/mt FCA Aliaga. Russia boosted its polyethylene self sufficiency in July compared with a year earlier on lower imports and higher production, according to the latest data from Russia's Federal Customs Service and Rosstat, the Russian Federal statistics agency. Production of Russian polyethylene rose 33% year-on-year to 159,080 mt. Imports fell 49% over the same period to 32,784 mt. Thailand was the largest source of imports with 5,294 mt, followed by South Korea and Germany on 4,855 mt and 4,171 mt, respectively.

Rationale

European HDPE spot prices were assessed at Eur1,420/mt, Eur1,420/mt, and Eur1,460/mt for injection, blowmolding, and film respectively. Down Eur60/mt, Eur60/mt, and Eur70/mt. Contracts were assessed unchanged this week closing Wednesday at Eur1,590/mt, Eur1,590/mt, and Eur1,600/mt for injection, blowmolding, and film respectively. Indications ranged from Eur1,550-1,650/mt, and did not disprove prices.

Africa

- **Dropping feedstocks influence sentiment**
- **Little buying interest**

North African prices fell this week on weak demand following the drop in feedstocks. North African LDPE, LLDPE, and HDPE prices were assessed at \$1,250/mt, \$1,230/mt, and \$1,245/mt respectively. One source said there was very little buying interest and this emerged within the context of falling global prices.

Rationale

North African LDPE, LLDPE, and HDPE prices were assessed at \$1,250/mt, \$1,230/mt, and \$1,245/mt respectively. Indications were heard \$50-100/mt lower week-on-week.

United States

- **Feedstock costs, global pricing pressure market**
- **FAS Houston assessments drop \$33-\$44/mt**

August domestic high density polyethylene contracts dropped by 5 cents/lb, with major US producers heard agreeing to the decrease this week, according to multiple market sources. August HDPE contracts were assessed for blowmolding at 70-71 cents/lb (\$1,543-1,565/mt) delivered-rail car basis; at 70-71 cents/lb (\$1,543-1,565/mt) for injection grade; and at 73-74 cents/lb (\$1,609-1,631/mt) for HMW film. Several factors — including lower feedstock costs, weaker domestic sales and declining global pricing — have put pressure on US producers to reduce costs, sources said. A 5-cent drop erases an increase of the same amount that was implemented in May. And prices could continue to decline in the coming months, sources said. Additional combined decreases of 3-5 cents/lb were not out of the question for September and October, given the current climate of the market, multiple sources said. Export prices continued to decline, with weak global demand and a strong US dollar, continued to be talked as obstacles traders were struggling to overcome. HDPE export prices were assessed \$33-\$44/mt lower on the week. Even at the new levels, multiple trader sources were hesitant to take positions on inventory without having a buyer already lined up at an agreed-upon price. HDPE blowmolding was assessed Wednesday at \$1,080-\$1,102/mt (49-50 cents/lb), down \$33/mt week on week. Producer to trader pricing continued to be talked lower, with hopper cars heard readily available around 46-47 cents/lb. HDPE injection also was assessed at \$1,080-\$1,102/mt (49-50 cents/lb) FAS Houston, also down \$33/mt week on week, with pricing talked on either side of blowmolding by sources. HDPE HMW film was assessed at \$1,113-\$1,135/mt (50.5-51.5 cents/lb) FAS Houston, down \$44/mt week on week, with talk of more aggressive offers into Latin America. Moving resin to Asia was difficult at current price levels, multiple sources said.

Rationale

The HDPE blowmolding export price was assessed Wednesday at \$1,080-\$1,102/mt (49-50 cents/lb) FAS Houston, down \$33/mt week on

week. Rail car pricing from producers was talked at 46-47 cents/lb. The FAS Houston assessment factors in packaging and transportation to port costs of around 3 cents/lb (\$66/mt), per market feedback. HDPE injection was assessed Wednesday at \$1,080-\$1,102/mt (50-51 cents/lb) FAS Houston, down \$33/mt week on week. Rail car prices for traders were talked in the same level as blowmolding. HDPE HMW film was assessed at \$1,113-\$1,135/mt (50.5-51.5 cents/lb) FAS Houston, down \$44/mt week on week. Export rail car prices were talked around 48 cents/lb. August domestic contracts were assessed at 70-71 cents/lb (\$1,543-1,565/mt) delivered-rail car basis; at 70-71 cents/lb (\$1,543-1,565/mt) for injection grade; and at 73-74 cents/lb (\$1,609-1,631/mt) for HMW film. Assessments were 5 cents/lb below July, with major producers heard dropping prices by that level this week.

Asia

- **Offers for September shipments fall**
- **China interest rates cut fails to revive market**

Asian high density polyethylene film grade prices fell this week amid a global meltdown across the commodity and equity markets. The outlook was bleak amid uncertainty and falling prices in upstream markets, said market participants. Though the People's Bank of China tried to counter the downward pressure on the stock market with an interest rate cut, it failed to boost sentiment, said sources. The PBOC cut the one-year lending rate by 25 basis points to 4.6% effective Wednesday, while the one-year deposit rate was reduced by a quarter of a percentage point to 1.75%, according to media reports. In upstream markets, naphtha hit a more than six-year low in Asian trade Tuesday as crude oil and equity markets tumbled. The CFR Japan naphtha marker was assessed down \$10.75/mt day on day at \$389.625/mt Tuesday, the lowest in 78 months. Prompt cargoes and prompt payments were sought amid current market uncertainty, buyers and sellers said. Some buyers preferred to trade on a cash-in-advance basis, as most of the Asian currencies were extremely volatile against the dollar, said sources. On the other hand, cheaper Brazilian polymer cargoes are unlikely to disappear from the global market anytime soon, with market sources saying low-priced polyethylene will continue to flow out of Brazil as long as the country's economic struggles persist.

Rationale

HDPE film was assessed at \$1,150/mt CFR Far East Asia Wednesday, down \$35/mt week on week. Buy indications for September-arrival cargoes were heard below \$1,100/mt for both CFR Far East Asia (China) and CFR SE Asia (Vietnam). A cargo of Middle East origin was heard offered at \$1,150/mt CFR China by a Singapore-based distributor. A buyer was likely to accept the offer but this could not be confirmed. Other offers were heard at \$1,220/mt CFR China for 100-500 mt Malaysian parcels on 90-day Letter of Credit basis, but this was deemed too high. A Taiwan-origin cargo of 100-500 mt was heard offered for October delivery at \$1,185/mt CFR China, basis 90-day L/C. The CFR South Asia marker was assessed \$30/mt lower at \$1,170/mt. September discussions were heard at \$1,150/mt CFR South Asia (India),

for 100-500 mt cargoes of Borouge material, although this could not be confirmed with the supplier. Buying notions were heard at \$1,100/mt CFR South Asia (India). No deals were heard, although traders said workable prices should be higher than China's.

Latin America

- **Injection down \$60/mt in Brazil**
- **US film into Peru remains competitive**

In Peru, blowmolding fell \$20/mt to \$1,210-\$1,220/mt, injection dropped \$45/mt to \$1,220-\$1,230 and film fell \$55/mt to \$1,230-\$1,240/mt CFR as US-origin offers were heard lower week on week. US-origin film offers were heard at \$1,250-\$1,275/mt CFR Peru as participants talked pricing lower from the US. Despite lower pricing, market conditions remained stifled by sliding economic conditions in the country and bearish demand from end users, sources said. "Prices are declining and the US is being competitive but our buyers are buying in smaller quantities," a Peru-based distributor said. The country's currency has also hampered trade activity as it goes up against a much stronger US dollar. Despite the currency issues, with participants buying and selling in US dollars, end users in particular were hesitant to take the loss when they turn around and sell in their local currency, sources said. In Brazil, the high-density polyethylene import assessment dropped in all three grades as thin trading activity continued in the market. Film was \$20/mt down, assessed at \$1,225-\$1,235/mt CFR; injection was \$60/mt down at \$1,185-\$1,195/mt CFR. Blowmolding dropped \$30/mt at \$1,185-\$1,195/mt CFR basis. Participants were expecting for lower prices on the week, as prices were dropping globally, multiple sources said. The devaluation of Brazilian real against US dollar was also a big factor playing on the import markets, sources said. The exchange rate stood at 3.6046 reals/US dollar on Wednesday. Sources said that buyers were waiting September in order to take a position, as the naphtha contract between Braskem and Petrobras, which expire on August 30. The domestic prices for all polyethylenes in Brazil were heard stable at \$1,100-\$1,500/mt, delivered basis, including taxes. However, participants heard that domestic prices might increase in September. "Depending on how much, this might help a bit the import market," a Brazil-based trader said. Braskem had not confirmed the information by time of publication. "Nobody is buying even with lower prices," a second Brazil-based trader said. In exports out of Brazil, FOT basis assessments were stable week on week, in all HDPE grades, on stable offers from Braskem in the Mercosur region. HDPE injection was assessed at \$1,365-\$1,375/mt FOT Brazil; blowmolding was at \$1,355-\$1,365/mt FOT basis, while film was at \$1,375-\$1,385/mt FOT Brazil. Offers from Brazil for HDPE were at \$1,480-\$1,500/mt FOT Brazil. All were \$120/mt below offer for freight and negotiation, per market feedback. In Asia, HDPE film was assessed at \$1,150/mt CFR Far East Asia Wednesday, down \$35/mt, on a global drop across the commodity and equity markets, sources in Asia said. Last week, buyers heard Brazilian cargoes were offered at \$1,160-\$1,170/mt CFR China.

Rationale

CFR Peru: Injection fell \$45/mt to \$1,220-\$1,230/mt CFR, based on a US offer at \$1,240/mt CFR basis, Film fell \$55/mt to \$1,230-\$1,240/mt CFR

basis, based on US offers at \$1,250/mt CFR basis and Blowmolding fell \$20/mt to \$1,210-\$1,220/mt CFR, based on a US offer at \$1,230/mt CFR basis. The prices were assessed \$15/mt below the offer levels to account for negotiation. CFR Brazil: Film was \$20/mt down at \$1,225-\$1,235/mt CFR Brazil based on Asian trading levels talked at \$1,210-\$1,220/mt CAD payment. When normalized to adjust for payment terms, by way of a \$20/mt premium, the price level was at \$1,230/mt CFR Brazil. The assessment was in the lower end of the range accounting for weak demand. Injection was assessed \$60/mt down, at \$1,185-\$1,195/mt CFR basis, based on notional trading levels at \$1,170/mt CFR with CAD payment. Blowmolding fell \$30/mt to \$1,185-\$1,195/mt CFR basis also with CAD payment. When normalized to adjust for payment terms, by way of a \$20/mt premium, the price level was at \$1,190/mt CFR Brazil.

POLYPROPYLENE

Europe

- **Feedstock propylene settled at Eur110/mt decrease**
- **Converters postpone PP demand to September**

North West European homo injection spot prices fell Eur50/mt on the week to Eur1,200/mt FD NWE. PP prices fell on an expectation feedstock propylene costs would take a triple-digit dive for September. That expectation was confirmed when the NWE September propylene contract price fully settled Wednesday at Eur820/mt (\$933/mt) FD NWE, down Eur110 on the month. The bearishness in propylene was attributed to easing supply through August and softening naphtha, the primary feedstock for olefin production in Europe. Naphtha was assessed at \$457/mt CIF NWE when ethylene and propylene last settled July 29 for August. It has since fallen 23% and was assessed Tuesday at \$351.75/mt. Demand in the run up to the feedstock settlement had been very subdued, sources said. "PP customers are not buying at the moment as they are expecting further price decreases," a trade source said. Another said: "Customers are reluctant to buy material at anything above Eur1,160/mt." Converters were thought to be in a strong position as PP prices were expected to decline further before a rebound was expected. "Customers know they will manage to buy at the same or lower levels at a later stage," a trade source said. Prices for product to be delivered in September were heard pegged close to Eur1,150/mt this week. Prices are expected to continue decreasing into September as lower feedstock costs are absorbed under fundamentals that are not overly strong, sources said. The threat of imports also looms over European sellers as prices elsewhere have fallen in August due to depressed demand in the Middle East and Africa, China's devaluations of the yuan and lower feedstock costs in the US, sources said this week. So far, however, traders had not yet been heard capitalizing on any of the open arbitrage. "With pricing falling so quickly in Europe I've not looked at imports...I won't be taking the risk on long lead times," a converter source said. Producers have yet to be heard reacting to bearish market sentiment on the approach to September. "West European producers are not knocking on our doors. Are suppliers not going to react?" a

trade source asked. One NWE producer had said following production outages through the Summer they would attempt to rebuild inventories in September to levels sufficient to buffer against any potential future outages. The European polypropylene contract price was assessed at Eur1,427.50/mt Wednesday, flat on the week, concluding the month at a Eur100/mt fall from July.

Rationale

The NWE PP homo contract was assessed at Eur1,427.50/mt, a Eur100/mt decrease from the start of the month. Settlements had been heard at decreases in the range Eur80/mt-100/mt. Platts assessed at the greatest discount following the majority of indications. Spot prices were heard pegged at Eur1,150-1,250/mt. Platts assessed at Eur1,200/mt, down Eur50/mt on the week, following the most repeatable values heard Wednesday. Copol fell Eur50/mt on the week to Eur1,250/mt, following decreases in homo injection, while maintaining the traditional Eur50/mt spread.

Africa

- Introduction of cheaper US offers to NA
- Both NA and Turkey fall on stagnant demand

North African homo injection prices fell \$52/mt on the week to \$1,068/mt CFR. An introduction of offers from the US pulled on the import market. "US offers are the most preferred at the moment... prices are cheaper," a trade source said. The cheapest homo injection PP had been heard offered at \$1,070/mt CFR NA from the US, while those from Asia were heard around \$100 higher. "Crude decreases have not been good for Africa with its crude based economy," a trade source said. Falling foreign exchange rates on the continent, against the dollar, have made imports more expensive. Elsewhere, homo injection prices in Turkey fell \$43/mt to \$1,148/mt CFR. Offers were heard lower from both Iran and the Middle East on stagnant demand. PP prices globally have been under pressure. In addition a fall in the cost of feedstock propylene in Europe weighed on prices. The NWE September propylene contract price fully settled Wednesday at Eur820/mt (\$933/mt) FD NWE, down Eur110 on the month.

Rationale

Homo injection prices were assessed at \$1,068/mt CFR North Africa Wednesday, down \$52/mt on the week. The lowest offer heard was \$1,070/mt from the US. Platts assessed just below the lowest offer. Homo injection CFR Turkey prices were assessed at \$1,148/mt, down \$43/mt on the week. The lowest offer heard from Iran was at \$1,150/mt inclusive of duties. Platts assessed just below the lowest offer.

United States

- Aug PP CPs settle 1.5 cents/lb lower
- July production rates near 95%

Export pricing for US polypropylene slipped \$11/mt from a week ago, assessed Wednesday at \$1,290-\$1,312/mt (58.5-59.5 cents/lb) FAS Houston for homopolymer injection grade and \$1,334-\$1,356/mt (60.5-

61.5 cents/lb) FAS Houston for co-polymer, pressured lower by declining feedstocks. In contracts, Formosa plans to increase September polypropylene prices 6 cents/lb (\$132/mt) in addition to any change in feedstock polymer-grade propylene pricing, the company said in a letter to customers obtained by Platts Friday. The company was the fourth producer to announce a September increase. Phillips 66, Braskem America and Ineos are all pushing for higher polypropylene prices amid strong demand and declining feedstock prices. In feedstocks, US propylene contract prices for August settled 3.5 cents lower, with polymer-grade propylene closing at 33 cents/lb, sources said. September PGP traded at 26.25 cents/lb MtB-pipe, prompting participants to expect a similar 3-4 cent/lb drop, sources said. The August PGP drop of 3.5 cents/lb has resulted in a 1.5-cent/lb polypropylene contracts, sources said, marking another 2-cent/lb increase in margins between PGP and PP contracts. In industry data, US polypropylene inventories rose to 1.422 billion lbs in July from 1.415 billion lbs in June, data from the American Chemistry Council showed. Production capacity for the month remained at 18.456 billion lbs/year, or 1.568 billion lbs/month for July, the data showed. End-July inventory was down 1 million lbs from 1.423 billion lbs a year ago. The data adds more color to July's PP production report issued last week, which showed domestic production at 1.488 billion lbs for July, 5 million lb behind total sales of 1.493 billion lbs. With July production of 1.488 billion lb and estimated production capacity of 1.568 billion lb, the preliminary run rate for the month was 94.91%, according to the ACC data. The average run rate for the first seven months of the year is estimated at 92.29%, above the 88.64% for the same period in 2014, the data showed.

Rationale

Export spot assessments declined \$11/mt for the week, with homopolymer injection at \$1,290-\$1,312/mt FAS Houston and co-polymer at \$1,334-\$1,356/mt FAS Houston, based on homopolymer domestic trading levels at 56 cents/lb rail car basis and co-polymer trading levels at 58 cents/lb rail car basis. The FAS Houston assessment factors in additional packaging and transportation to port costs of around 3 cents/lb (\$66/mt), per market feedback. The co-polymer assessment maintained a \$44/mt (2 cents/lb) premium to the homopolymer assessment. US domestic contract prices were last assessed for August at 54-55 cents/lb delivered rail car basis for homopolymer and at 56-57 cents/lb for fiber. The price assessment accounted for a 21.5-cent premium over PGP, as a majority of contracts use a monomer-plus formula that also takes into consideration successful margin increases instituted by producers, per market feedback.

Asia

- July PP homo imports fall 15% on year
- India domestic producers lower offers again

The Far East Asia PP raffia marker fell \$40/mt week on week to \$975/mt Wednesday, continuing another a week of market turmoil. The uncertainty caused by the 17% plunge of the Shanghai Composite index from Monday to Wednesday effectively discouraging buying activities all week, sources said. China's customs data showed July PP

homo imports falling 15% or almost 50,000 mt year on year. PP block copolymer imports, however, rose 16% year on year in July, as importers deemphasized commodity-grade PP homo to focus on higher-value PP. The CFR Southeast Asia PP raffia marker fell \$50/mt to \$975/mt this week because of competing offers from the Middle East and India while buyers sat on the sidelines. APC was heard offering into Vietnam at \$1,000/mt earlier in the week, the sharpest offer until Reliance came Tuesday at \$990/mt. The CFR South Asia polypropylene raffia marker fell \$40/mt week on week, assessed at \$995/mt Wednesday, as Middle East offers competed amid poor buying sentiment, according to industry sources. India's polypropylene producers have cut offers in the domestic market for the third time in August while extending a new price protection scheme for customers until August 31, citing weak demand. Reliance Industries, Indian Oil Corp. and other major producers announced new domestic PP offers late August 19 for September-loading cargoes, at around Rupee 80,230/mt ex-plant, equivalent to \$1,101/mt on an import-parity basis, down Rupee 800/mt from August 13.

Rationale

Polypropylene raffia was assessed \$40/mt lower week on week at \$975/mt CFR Far East Asia Wednesday. Offers were heard at \$990/mt range from LyondellBasell and Braskem, with little buying appetite. The CFR Southeast Asia raffia marker was assessed at \$975/mt, down sharply \$50/mt on the week taking into consideration offers heard at \$990/mt Reliance origin cargo, amid no buying interest. The CFR South Asia PP raffia marker was assessed at \$995/mt, plunging \$40/mt week on the week reflecting a confirmed offer from APC at \$1,010/mt, again, with little buying interest.

Latin America

- Price dips in Peru amid economic conditions
- Competitive material from the Middle East, Brazil

Polypropylene import assessments to Brazil fell \$10/mt week on week, assessed Wednesday at \$1,185-\$1,195/mt CFR basis for homopolymer grades and \$1,215-\$1,225/mt CFR for co-polymer, amid thin buying activity. Homopolymer trading levels from the Middle East and Asia were heard at \$1,150-\$1,180/mt CFR Brazil, with cash in advance payment and delivery time in mid-October, sources said. "Even with the prices dropping, price are still not competitive," a Brazil-based trader said. Sources also said that would not buy homopolymer if prices were more than \$1,100/mt as domestic prices remained a better deal over import material. In addition, a weak real continued to make transactions difficult, sources said. Wednesday's exchange rate was 3.6046 reals/US dollar. In exports to neighboring Mercosur markets, assessments remained stable week on week to \$1,305-\$1,315/mt FOT basis for homopolymer and \$1,335-\$1,345/mt FOT for co-polymer. PP offers from Braskem were heard at \$1,430/mt levels. In Peru, homopolymer-grade import assessments fell \$10/mt week on week to \$1,175-\$1,185/mt CFR basis and copolymer dropped \$10/mt to \$1,220-\$1,230/mt CFR basis, as offer levels from Asia were heard stable to lower on the week, sources said. Asia-origin homopolymer grade PP

was heard offered at \$1,180/mt with a second half September loading date. "We have to be strategic about our purchases since we're buying material that will not be delivered until October," a regional buyer said. The CFR Peru assessment price continued its decline since June 3, losing \$285/mt, or 19%, tracking deep sea cargoes. Elsewhere, the CFR FE Asia assessment has fallen \$295/mt, or 30%, during the same period. Economic conditions and low buying demand added to bearish market conditions in China, sources said. Meanwhile, market players in Peru said they were taking notice of the Asian markets and its ripple effect on West Coast South American trading.

Rationale

CFR Peru: Homopolymer fell \$10/mt week on week to \$1,175-\$1,185/mt and co-polymer fell \$10/mt to \$1,220-\$1,230/mt. The homopolymer assessment was based on a peg at \$1,180/mt CFR basis. Co-polymer was based on a peg at \$1,220-\$1,230/mt CFR basis. CFR Brazil: Fell \$10/mt to at \$1,185-\$1,195/mt for homopolymer and \$1,215-\$1,225/mt for co-polymer. Homopolymer was based on trading levels at \$1,150-\$1,280/mt from the Middle East, with CAD payment and delivery in mid-October. The assessment was made on the lower end of the range to account for weak demand. When normalized by way of a \$40/mt premium to account for delivery time and letter of credit, trading levels would be at \$1,190/mt CFR basis. Co-polymer was at a \$30/mt premium, per market feedback. FOT Brazil: Homopolymer was stable at \$1,215-\$1,225/mt. FOT Brazil: Brazil offers were unchanged at \$1,430/mt. The assessment was \$120/mt lower, for freight and negotiation.

POLYSTYRENE

Europe

- Converters delay purchases to September
- Markets await September styrene settlement

European general purpose polystyrene spot prices slipped Eur5 week-on-week to be assessed at Eur1,400/mt (\$1,594/mt) FD NWE Wednesday. Contract GPPS prices across Europe also dropped Eur5 and were assessed at Eur1,505/mt FD NWE. As most European PS changes hands through contracts, trade sources said they were not engaging in fresh negotiations with August drawing to a close. "Prices are largely stable this week but everyone expects a sharp drop once styrene settles [for September]," a trader said. In Asia, PS prices sank by as much as \$130/mt week-on-week Wednesday as feedstock styrene monomer costs plunged by more than \$100/mt on weak demand from China. This sent bearish indications to prices in Europe. A sharp \$100/mt drop in PS prices in Turkey also pressured European prices. Bearish feedstock styrene monomer prices in Europe that dropped \$145.5/mt on the week Wednesday to be assessed at \$1,141/mt FOB ARA pressured prices in Europe.

Rationale

European general purpose polystyrene spot prices were assessed at Eur1,400/mt FD NWE, down Eur5 on the week as it was the level where

producers, consumers and traders concurred with their market pegs. NWE high impact polystyrene spot prices were assessed at a Eur80 premium over GPPS spot prices on pegs widely seen in the markets. GPPS contracts were assessed at Eur1,505/mt FD NWE, down also Eur5 week-on-week in tandem with the spot prices and to reflect pressure from falling styrene. HIPS and EPS contracts were assessed at premiums of Eur80 and Eur35 over GPPS, respectively.

Africa

- **Duty free Malaysian offers re-emerge in Turkey**
- **Markets seen well supplied**

North African and Turkish polystyrene spot prices dropped \$100/mt this week as cheap offers from Asia were seen meeting a considerable portion of demand in these markets. Malaysian origin high impact polystyrene was offered into Turkey at \$1,320/mt CFR Turkey without duty, but the trader offering the cargo was not seen willing to negotiate the prices lower. Asian origin general purpose polystyrene cargoes were heard being offered at \$1,200-\$1,230/mt but with duties of 6.5%. "Prices in Turkey are changing every moment, and even a huge drop is not driving demand," a trader said. Iran origin GPPS offers into Turkey were heard at \$1,400/mt while traders complained of a lack of offers from Europe. In Asia, PS prices sank by as much as \$130/mt on the week Wednesday as feedstock styrene monomer costs plunged by more than \$100/mt on weak demand from China. With demand in Asia evaporating, a lot of cargoes originally destined to meet the continent's demand were seen headed to Turkey. A sharp drop in styrene monomer prices pressured prices globally.

Rationale

Platts assessed the GPPS spot price in Africa and Turkey at \$1,280/mt CFR Wednesday, down \$100 on the week. The assessment was reached between the \$1,250-\$1,320/mt CFR bid offer range seen in the markets. Traders active in the Turkey and North Africa markets pegged the product in a wide range of \$1,200-\$1,320/mt CFR. A steep drop in Asian prices for all grades of PS also strongly influenced the assessments. HIPS was assessed at a \$40 premium over GPPS prices and at the most representative peg seen in the markets. EPS was assessed at a \$20 premium over GPPS prices.

United States

- **September expected to decline: sources**
- **Benzene, styrene prices tumble**

August US domestic polystyrene contracts were settling 2-3 cents/lb (\$44-\$66/mt) lower than July, sources said this week. With the decreases, August polystyrene contracts were assessed down 2.5 cents/lb at 109-111 cents/lb (\$2,403-\$2,447/mt) delivered rail car for general-purpose polystyrene and 119-121 cents/lb (\$2,623-\$2,668/mt) delivered rail car for high-impact polystyrene. The decreases in August were based on a 25 cents/gal (\$75/mt) decline from July in feedstock benzene contracts to 280 cents/gal (\$837/mt) for August. Per industry

feedback, a 10 cents/gal change in benzene prices is equal to 1 cent/lb change in styrene and polystyrene production costs. The decline in August follows a 6-8 cents/lb increase in July, with July polystyrene contracts were assessed at 111.5-113.5 cents/lb (\$2,458-\$2,502/mt) delivered rail car for general-purpose polystyrene and 121.5-123.5 cents/lb (\$2,679-\$2,723/mt) delivered rail car for high-impact polystyrene. The declines might not be done as benzene spot pricing has tumbled over the second half of August, assessed Wednesday at 188 cents/gal FOB USG, and September US benzene contracts are expected to drop at least 80 cents/gal because of it. US spot styrene prices have dropped 7.50 cents over the last week, assessed at 42.50 cents/lb FOB USG Wednesday. With the falls seen upstream, sources were expecting at least a 3-5 cents/lb drop in polystyrene prices in September. Polystyrene demand has been heard slowing to steady as the summer polystyrene season was concluding, sources said. Supply was balanced, sources said, but there was talk of supply possibly tightening some in September ahead of planned turnarounds in October. In the export market, GPPS and HIPS were assessed stable on the week at \$1,410/mt FAS Houston and \$1,520/mt FAS Houston, respectively, as no offers were heard in the market. Offers out of South Korea were heard at \$1,400/mt CFR Peru for GPPS and \$1,450/mt CFR Peru for HIPS this week.

Rationale

The spot GPPS assessment was at \$1,410/mt FAS Houston, stable on the week. No US deals, offers or bids were reported, so the assessment was stable awaiting feedstock contracts in September. The HIPS assessment at \$1,520/mt FAS Houston was based on a \$110/mt premium to GPPS pricing, per market feedback. August contracts were assessed at 109-111 cents/lb delivered rail car for GPPS and 119-121 cents/lb delivered rail car for HIPS, per market sources.

Asia

- **SM sinks \$113/mt on week**
- **Sentiment hurt by China stock market fall**

Polystyrene prices sank by as much as \$130/mt week on week Wednesday as feedstock styrene monomer costs plunged by more than \$100/mt amid weak demand from China. SM prices stood at \$893.50/mt CFR China Wednesday, down \$113/mt on week. Market sentiment took a beating this week as China's stock markets plunged for three straight days. A trader said demand was weak while an expandable polystyrene producer said the market was changing too quickly. EPS tracked SM prices closely as general-purpose grades shed \$130/mt week on week, while fire-retardant grades lost \$120/mt. General-purpose PS prices were down \$70/mt week on week while high-impact PS prices were assessed \$71/mt lower over the same period. In upstream news, Indonesian Chandra Asri's subsidiary, Styrimdo Mono Indonesia, plans to shut its 100,000 mt/year No 1 SM line at Merak later this week for a scheduled turnaround, a source close to the company said Wednesday. The maintenance will last for about 30 days, but the plant will be shut until the end of this year, said the source.

Rationale

Week on week, expandable polystyrene prices for both general purpose and fire retardant grades fell \$130/mt and \$120/mt, respectively, to \$1,119/mt and \$1,179/mt FOB Northeast Asia. Offers for GP-grade EPS hovered at \$1,120-\$1,130/mt FOB China, while offers for FR grade stood at \$1,180/mt FOB China. GPPS prices fell \$70/mt week on week to be assessed at \$1,149/mt CFR China and \$1,129/mt CFR Southeast Asia. Offers for GPPS of Taiwan origin stood at \$1,150/mt CIF China on Wednesday. Similarly, HIPS prices fell \$71/mt to \$1,239/mt for both CFR China and CFR SEA. Offers for HIPS cargoes hovered at \$1,250/mt CIF China.

ACRYLONITRILE BUTADIENE STYRENE

Europe

- **Contract drops Eur30 on bearish styrene**
- **Bearish expectations seen for September CP**

Platts assessed European natural injection grade gross acrylonitrile butadiene styrene spot prices at Eur1,625/mt (\$1,851/mt) FD NWE Wednesday, down Eur25 week-on-week. A high volume of Asian origin ABS was seen offered into Europe this week, pressuring spot prices. In Asia, ABS prices fell to a six year low of \$1,305/mt CFR China Wednesday. Traders in Europe cited availability of Asian origin ABS in Europe and said this was pressuring offer levels from producers within Europe. Several market sources including producers, traders and converters pegged spot prices within the continent in the range Eur1,600-1,650/mt FD NWE. Major producer Styrolution will shut its 260,000 mt/year acrylonitrile-butadiene-styrene plant in Antwerp, Belgium, for a month-long turnaround beginning early September. This was expected to cut 22,000 mt of the product supplies into the European markets. "This will not support prices because offers are coming in from Asia," a trader said. Sources saw European contract ABS prices close to Eur1,700/mt FD NWE levels this week and this was a Eur30 drop from last week's levels.

Rationale

Platts assessed spot ABS at Eur1,625/mt FD NWE Wednesday, down Eu25 on the week. This price was between the widely pegged range of Eur1,600-1,650/mt FD NWE. Platts assessed NWE ABS contract prices at Eur1,705/mt FD NWE Wednesday, down Eur30 week-on-week as this was the most representative peg seen in the markets and to reflect a steep drop in feedstock styrene. Platts assessed color grades at a premium of Eur130/mt and auto-black at a Eur270/mt premium to general purpose ABS, in line with the reported premium indications.

United States

- **September expected lower, amount uncertain**
- **Benzene contract decreases talked near \$2/gal**

The US acrylonitrile-butadiene-styrene domestic assessment was unchanged on the week, assessed Wednesday at 114-116 cents/lb

(\$2,513-\$2,557/mt) delivered rail car as the market eyed feedstocks in anticipation of a likely drop in ABS prices in September. Demand has been slower to average, sources said, adding that it was expected to remain that way in September. Part of the reason for the weaker demand was due to buyers waiting to purchase material in anticipation of lower pricing in September and possibly in the fourth quarter, sources said. However, the amount of a possible September decrease was uncertain as sources said it hinged on declines in feedstock benzene and styrene. Supply was balanced with demand, with no issues heard, sources said. Feedstock market sentiment has been bearish over the last month, and sources expected that to trickle downstream into ABS and pressure pricing lower. Along with feedstocks, pressure from imports was also impacting prices, with imports from Asia heard offered below 90 cents/lb delivered, a source said this week. In feedstocks, benzene spot prices fell 25 cents on the week, assessed at 188 cents/gal FOB USG Wednesday tracking lower crude and as imports were expected to arrive in September, sources said. Benzene contracts for September are expected to decline at least 80 cents from August's 280 cents/gal (\$837/mt), sources said. Downstream from benzene, styrene spot prices were assessed 7.50 cents/lb lower over the week at 42.50 cents/lb FOB USG Wednesday on weaker global styrene spot prices as well as cheaper feedstocks benzene and ethylene, sources said. Per industry feedback, styrene composes about 60-65% of ABS, so the market follows styrene and benzene movement more closely than movement in other feedstocks. In other feedstocks, spot ACN prices fell \$30/mt week on week, assessed Tuesday at \$1,000/mt FOB USG on slow demand as well as lower feedstock propylene and downward movement in global ACN prices, sources said. Propylene contracts for August settled 3.5 cents lower from July at 31.5 cents/lb for chemical-grade propylene. The US ACN domestic assessment dropped 5.5 cents on the week to 55 cents/lb on the lower propylene settlement. Butadiene spot prices were stable on the week, assessed at 42 cents/lb CIF USG Friday. The August US butadiene contract price settled at a 36-47 cents/lb split, flat to down 2 cents/lb from July, sources said. Nominations for September were heard down 1-3 cents/lb, sources said.

Rationale

US acrylonitrile-butadiene-styrene was assessed at 114-116 cents/lb delivered rail car based on pricing indications in the mid-110s cents/lb.

Asia

- **Feedstock SM tumbles \$113/mt on week**
- **China stock markets fall for third day**

Acrylonitrile-butadiene-styrene prices fell to the lowest level in more than six years Wednesday as feedstock costs sank amid weak demand and volatile crude futures. ABS was assessed down \$50/mt week on week at \$1,305/mt CFR China. The last time it touched this level was May 24, 2009. Styrene monomer tumbled \$113/mt week on week to \$893.50/mt CFR China Wednesday. ABS market sentiment took a beating as China's stock markets fell for the third day in a row Wednesday. A trader said a major ABS producer cut its offers by \$70/

mt Wednesday amid weak demand, especially from China. In upstream news, Chandra Asri subsidiary Styrimdo Mono Indonesia plans to shut its 100,000 mt/year No. 1 SM line at Merak later this week for scheduled turnaround, a source close to the company said Wednesday. The maintenance will take about 30 days but the plant will remain shut until year end, the source said.

Rationale

Acrylonitrile-butadiene-styrene was assessed down \$50/mt week on week at \$1,305/mt CFR China Wednesday. Offers for ABS were heard at \$1,310/mt for Taiwan-origin cargoes. The CFR Southeast Asia marker was assessed down \$50/mt at \$1,300/mt, falling in tandem with the CFR China marker.

POLYETHYLENE TEREPHTHALATE

Europe

- **Feedstocks outlook remains bearish**
- **R-PET to benefit from India import scrap ban**

The European polyethylene terephthalate market is braced for further decreases in September on a combination of bearish global outlook, seasonal decline in demand and cheaper feedstocks. Spot prices slid Eur35/mt this week to Eur895/mt. There was no consensus whether there was likely to be a significant decrease in demand in the Autumn, with some sources saying they already saw signs of weakening, especially in the Northern parts of Europe, and others saying the overall weakness of the industry in Europe had smoothed out the previously sharp seasonality. Both MEG and PX August CP initial settlements were confirmed: at Eur986/mt down Eur102/mt and Eur785/mt down Eur70-80/mt, respectively. This suggested a nearly Eur80/mt decrease in PET production costs. PET contract prices were assessed at Eur975/mt, down Eur75/mt on the month. Going into September the outlook for both feedstocks was weak. The contract price of ethylene, MEG feedstock, was settled for September at Eur945/mt, down Eur90/mt. In PX, the spot price is currently at an 8% discount, incremental demand is missing and Asian CP nominations indicated at least a \$10-40/mt decrease. Further bearishness was stemming from the weakness in the Chinese economy and a fall in crude prices. Front-month ICE Brent futures dipped \$4.02/b over the week to \$43.41/b. "September is a mess due to the collapse in Asia and the Chinese influence so I can't give an idea yet what may happen here," a PET source said. "I think I can do better by sitting and waiting," a converter said. Sources said domestic producers were running at significantly reduced rates. Imported product continued arriving, from Korea, Middle East etc. In fact, sources said the flow could intensify due to a stronger euro, weak China and upcoming changes in duty regimes. Offers from Oman were heard at \$920/mt on a CIF basis, which would be an equivalent of Eur900/mt FD duty paid. In addition, upcoming expiration of duties on PET from the UAE, Pakistan and Iran could increase imports, sources said. R-PET: Falling virgin PET forced recyclers to cut prices to stay competitive. Spot R-PET was assessed

at GBP600/mt in the UK and Eur820/mt on the continent, both down 3.5% on the week. One consumer said that since hot-wash flake remained at quite elevated levels, it was impossible to procure food-grade pellets which would be priced lower than virgin material. "R-PET producers are not willing to reduce prices as much as virgin suppliers. Flakes are around Eur800/mt, so food-approved pellets are no cheaper than Eur900/mt. R-PET producers are saying that there are no cheap bales," a converter said. A UK-based source said the situation is likely to change with bale prices coming under pressure in Europe following a recently introduced ban on imports of PET bales into India. "This will create a surplus of bales on the continent and the price will come off significantly, which will aid recyclers," he said.

Rationale

Platts assessed European spot PET prices at Eur895/mt FD NWE, down Eur35/mt week-on-week and at GBP660/mt FD UK, down GBP17/mt. Sources said there were offers of September product at Eur900/mt for both imported and EU-origin product on the continent and deals were heard done at GBP675/mt and GBP660/mt in the UK, in this order. Platts assessed in line with the pegs and last traded values. Contract prices were assessed stable on the week at Eur795/mt and GBP709/mt, down Eur75/mt and GBP56/mt month-on-month in line with feedstocks. R-PET prices were assessed at GBP600/mt, down GBP22/mt and in line with a GBP590-615/mt peg from sources. R-PET on the continent was assessed at Eur820/mt, down Eur30/mt, equivalent to the decrease in the UK and above the pegs heard from a consumer at Eur800/mt.

United States

- **Domestic pricing awaits PX contract**
- **Bearish sentiment remains in market**

US West Coast polyethylene terephthalate declined \$67/mt on the week, assessed Wednesday at \$1,091-\$1,113/mt (49.50-50.50 cents/lb) DDP US West Coast, tracking lower Asian PET prices and as feedstock prices were expected to drop. Demand has been slowing but remained steady with summer bottling season concluding, sources said. Domestic demand has been healthy and could improve after the US Department of Commerce's preliminary affirmative determinations in the countervailing duty investigations of imports of certain PET resin from China and India, sources said. Spot prices for imported PET were heard around 50 cents/lb DDP US West Coast this week, with talk that pricing could go lower. Asian PET prices fell \$40/mt on the week, assessed at \$895/mt FOB Northeast Asia. Following the Department of Commerce's preliminary CVD determinations, sources said traders have been moving away from bringing in Chinese and Indian material and shifted to countries like Thailand, Taiwan and South Korea. Product from Brazil and Oman has been moving into the US East Coast, but sources said some buyers exercised caution with material from Oman as the country may be included in final CVD determination. The Department of Commerce found in favor of US producers in preliminary determinations on countervailing duties for China and India. US PET producers DAK Americas, Nan Ya Plastics and M&G

Chemicals filed petitions with the US International Trade Commission in March alleging government subsidies to PET producers in India, Oman and China. The Department of Commerce determined subsidy rates from 4.27% to 18.88% in China and 5.50% to 115.04% in India. The DOC will reach final determinations by December 21, followed by the ITC's final determination by February 4 and issuance of order by February 11. In the domestic PET market, contracts for June, July and August remained unsettled as the market waited for final settlement of feedstock paraxylene and purified terephthalic acid contract prices for those months, sources said. PTA represents the main feedstock in PET as 1 lb of PET requires 0.87 lb of PTA and 0.34 lb of MEG. Market talks called for the June and July PX contracts to settle at 53 cents/lb, which would put the PTA settlement at 50.22 cents/lb for June and 50.29 cents/lb for July, sources said. Based on those numbers, PET prices would rise 3.25-3.50 cents over the two months, a source said. August and September prices were expected to decline on lower feedstock prices, sources said.

Rationale

US West Coast polyethylene terephthalate was assessed Wednesday at \$1,091-\$1,113/mt (49.50-50.50 cents/lb) DDP US West Coast, down \$67/mt on the week. The assessment was based as the market was talked around 50 cents/lb. June, July and August domestic contract prices have not yet settled as they await feedstock pricing. May contracts were assessed at \$1,631-\$1,653/mt.

Asia

- Steep price falls seen in MEG, PTA
- Polyester outlook remains bearish

Asian polyethylene terephthalate prices dropped \$40/mt week on week to \$895/mt FOB Northeast Asia and \$910/mt FOB Southeast Asia Wednesday, dragged down by steep falls in feedstock monoethylene glycol and purified terephthalic acid. The global equity market crashes on Monday sent traders into panic mode this week. The Shanghai

Stock Market Exchange Composite Index had plunged by 8.5% on Monday, and more than 19% over eight days, according to media reports. Traders were spooked by the turmoil and sold down MEG and PTA futures sharply, which dragged down prices of physical MEG and PTA. With PET and polyester demand remaining in the doldrums, PET buyers lowered bids further this week, for first-half September loading cargoes, forcing several Northeast Asian PET producers to again cut offers. Northeast Asian PET producers across Taiwan and China have maintained reduced operating rates at PET plants, given the bearish demand and gloomy polyester outlook. A major Taiwanese producer kept operating rates at a low level of 60% to manage their growing inventories, said sources. The average Chinese PET operating capacity is around 65%. Feedstock MEG and PTA plunged week on week as well, with MEG falling \$87/mt, or 11.8% week on week, to \$645/mt CFR China, while PTA dropped a sharp \$53/mt, or 8.9% week on week, to \$540/mt CFR China Wednesday. A South Korean producer slashed offers to \$890/mt FOB Korea, while a Taiwanese producer lowered offers to \$920-\$930/mt for H1 September loading cargoes. In Southeast Asia, a Thai producer reduced offers to \$920/mt FOB, while another Malaysian producer cut offers to \$890/mt, for H1 September loading cargoes.

Rationale

Bottle-grade PET was assessed down \$40/mt week on week at \$895/mt FOB Northeast Asia and down \$40/mt at \$910/mt FOB Southeast Asia Wednesday. The assessments reflect the average of traded levels heard at \$870/mt FOB China, \$880/mt FOB Korea and \$910-\$920/mt FOB Taiwan for H1 September-loading cargoes. A South Korean producer sold H1 September shipments at \$880/mt FOB to Iran, Dubai, Italy, Germany and Bulgaria. A Taiwanese producer sealed business for H1 September shipments at \$910-\$920/mt FOB to Japan and Vietnam. A Thai producer said parcels of 100-200 mt for H1 September shipments were fixed around \$910-\$920/mt FOB within Southeast Asia, while a Malaysian producer had sealed business around \$880-\$885/mt FOB to Singapore, Indonesia, Vietnam and Dubai, also for H1 September loading.

POLYMER FEEDSTOCKS: OLEFINS

POLYMER FEEDSTOCKS – ETHYLENE

Europe

	Spot Friday	Weekly Average
FD NWE (Eur/mt)	901.00-905.00	915.200-919.200
CIF NWE (\$/mt)	1012.00-1016.00	1041.800-1045.800
CIF MED (\$/mt)	1012.00-1016.00	–

Monthly Contract Price (Aug): 1035.00-1035.00 FD NWE (Eur/mt)

US (¢/lb)

	Spot Friday	Weekly Average
FD USG M1 AUG	25.000-25.500	24.400-24.900
FD USG M2 SEP	25.500-26.000	24.925-25.425

Posted Contract Price (AUG): NA-NA Delivered

Net Contract Price (AUG): NA-NA Delivered

Asia (\$/mt)

	Spot Friday	Weekly Average
FOB Korea	769-771	–
CFR SE Asia	789-791	834.2-836.2
CFR NE Asia	819-821	859.4-861.4

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	773.00-777.00	796.200-800.200
CIF NWE	765.00-769.00	788.000-792.000
Chem Grade	Spot Friday	Weekly Average
FD NWE	748.00-752.00	–
CIF NWE	718.00-722.00	–

Poly Grade Monthly Contract Price (Aug): 930.00-930.00

US (¢/lb)

	Spot Friday dlvd USG	Weekly Average dlvd USG
Poly Grade M1 AUG	26.500-27.000	25.900-26.400
Poly Grade M2 SEP	26.500-27.000	25.900-26.400
Chem Grade	23.500-24.000	–
Ref Grade	15.750-16.250	16.400-16.900

Poly Grade Contract Price (AUG): 33.000-33.000 Delivered

Chem Grade Contract Price (AUG): 31.500-31.500 Delivered

Asia (\$/mt)

	Spot Friday	Weekly Average
FOB Korea	694-696	721.0-723.0
CFR Taiwan	731-733	–
CFR SE Asia	694-696	–
FOB Japan	681-683	–
CFR China	734-736	760.00-762.00

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)	768.00-772.00
FD NWE T2 (Eur/mt)	798.00-802.00
CIF NWE T2 (Eur/mt)	728.00-732.00
CIF NWE T2 (\$/mt)	818.00-822.00

Monthly Contract Price (Aug) – (Eur/mt) 986.00-986.00

POLYMER FEEDSTOCKS – ETHYLENE GLYCOL ASSESSMENTS (cont)

US (¢/lb)

	Spot Friday
FOB USG A/F*	32.00-33.00

Fiber Grade Monthly Contract Price (Aug): 42.45-42.95 FOB USG

Asia (\$/mt)

	Spot Friday	Weekly Average
CFR China	704-706	663.6-665.6
CFR SE Asia	707-709 (1)	–

MEG CP Nomination (Sep) – CFR Asia

MEGlobal: 940 Sabic: 950 Shell: 940

(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)	718.00-722.00	722.000-726.000
FOB Rdam (\$/mt)	748.00-752.00	754.400-758.400

Butadiene Monthly Contract FD NWE AUG: 770.00-770.00 (Eur/mt)

US (¢/lb)

	Spot Friday
CIF USG	41.50-42.50

Monthly Contract Price (Aug) 36.00-47.00

Asia (\$/mt)

	Spot Friday	Weekly Average
FOB Korea	869-871	891-893
CFR Taiwan	889-891	–
CFR SE Asia	864-866 (1)	–
CFR China	879-881	894-896

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

PLATTS GLOBAL ETHYLENE PRICES (\$/mt)



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

ETHYLENE

Europe

- Quiet market during contract week
- Two trades reported

The Northwest European contract price for ethylene for September was fully settled Wednesday at Eur945/mt (\$1,078/mt), down Eur90/mt month on month. Buyer Clariant settled with LyondellBasell for the initial settlement, and BASF and Vinnolit followed the settlement. All parties confirmed. The initial settlement followed weakness in naphtha prices. Naphtha was at \$351.75/mt Tuesday, down from \$457.25/mt when the ethylene contract price last settled. Northwest European ethylene prices fell again this week, with all eyes fixed on the ethylene contract price settlement. Spot prices were assessed at Eur903/mt Friday, down Eur5/mt on the day, and Eur48/mt on the week. Two separate deals were heard this week at September MCP-5%, 1kt, prompt delivery (August-September) ARG. Both parties confirm. One producer said the market was balanced and the market was quiet in the lead up to, and after, the contract price settlement. In downstream markets, low density polyethylene spot prices fell this week on continued weak demand, and solid availability, sources said this week. Prices closed Wednesday at Eur1,330/mt, down Eur50/mt on the day.

Rationale

Ethylene was assessed at Eur903/mt, down Eur5/mt on the day, and Eur48/mt on the week. August remained at MCP flat, and September was assessed at a 5% discount, on indications.

United States

- DuPont restarts Texas plant after outage
- PHMSA approves full Evangeline run-rates

US spot ethylene recovered 2.25 cents/lb week on week for prompt-month material, assessed Friday at 25-25.5 cents/lb delivered. The forward-month assessment was 2 cents higher at 25.5-26 cents/lb FD. August prices spiked to 27.75 cents/lb on Thursday morning, following talks of resumed producer buying interest. Sources said recent shutdowns by Texas producers had boosted spot demand, and the delayed startup of DuPont's Orange, Texas, cracker has resulted in the daily hike. Additionally, sources said an early-month oversell resulted in a number of trading sources covering positions in the latter part of the month, which led to 25 trades throughout the week. In production, the US Department of Transportation's Pipeline and Hazardous Materials Safety Administration approved full operating rates for Boardwalk Pipeline's Evangeline Ethylene Pipeline system, a company source said in an email Thursday. "Boardwalk expects to lift the current allocations on the pipeline going forward based upon customer nominations," the source said. PHMSA could not immediately be reached for comment. The 176-mile pipeline is capable of transporting more than 1 million mt/year of ethylene from Texas to Louisiana. Since June, Boardwalk was operating the pipeline

at the maximum approved reduced pressure of 1,131 psig, down from the maximum operating pressure of 1,336 psig. In downstream markets, August US polyethylene contracts fell by 5 cents/lb, erasing an increase of the same amount that had been implemented in May, market sources said. Buyers were heard finalizing pricing with producers this week, with multiple sources confirming Wednesday and Thursday that prices had settled lower. Additionally, the US high density polyethylene blowmolding assessment fell to its lowest level in more than five years Thursday as multiple trader sources said they began receiving lower September offers. The HDPE blowmolding assessment was at \$1,036-\$1,058/mt (47-48 cents/lb) FAS Houston Thursday, a level last seen July 21, 2010, Platts data showed.

Rationale

US spot ethylene was assessed Friday at 25-25.5 cents/lb FD USG for prompt month delivery, up 2.25 cents/lb week on week, and 2 cent/lb higher at 25.5-26 cents/lb FD USG for next-month deliveries. August's assessment was based on the last bid-offer range of 24-26.5 cents/lb MtB Wms. September assessment was based on the last bid-offer range at 25.25-27 cents/lb MtB Wms, and allowed for 0.5 cent/lb contango structure per market feedback. July contracts settled down 1 cent/lb to 32.75 cents/lb for the net transaction price, sources said. August contracts had not settled by close of assessment.

Latin America

- Mercosur producers report no issues
- Downstream PE import prices lose steam

Dow Chemical's partnership with Argentina's state-owned YPF to develop its shale gas resources is being considered a great opportunity for Dow and for the country, a source with knowledge of company operations said Friday. Dow previously stated it could build a new steam cracker by 2020 if the partnership proved successful. Dow Chemical is one of several firms investing in shale gas exploration and production in partnership with YPF. "I believe we are developing a unique model of vertical integration," the company source said. Dow Argentina is South America's second-largest producer of ethylene and polyethylene. Dow operates two ethane-fed steam crackers at Bahia Blanca with a downstream polyethylene capacity of 650,000 mt/year, according to market feedback. Dow Argentina announced at the end of 2014 it would expand the capacity of its Bahia Blanca complex. Polyethylene production in Argentina remains net short, with an expected deficit of 187,000-mt in 2015, according to Platts Analytics data. "Beyond the investment in The Orejano, production will improve year after year," the company source said. In production news, both Dow and Brazil's Braskem were heard running with no issues at their respective complexes, company sources said. In downstream markets, PE pricing was lower in Peru and as "aggressively priced" US-origin offers continued to move lower into Peru and bearish market conditions continued to affect the Brazilian polymer markets. Sluggish economic conditions in both countries continued to be a challenge as declining demand and weak domestic currencies struggled against the US dollar.

Asia

- **Under pressure from high ethylene inventory**
- **Steam crackers may cut runs**

Asian ethylene prices fell \$10-\$16/mt day on day Friday, because of active spot selling by some companies in a bid to draw down their high ethylene inventories. Some market sources said a few steam cracker operators are currently considering reducing their steam cracker operations — despite positive ethylene margins — due to high ethylene inventories. Sources also said the build-up in inventories was caused by disruption to deliveries as a port in Tianjin was closed following explosions and fire on August 12. A trade source said the port has reopened but it is unclear if it will remain open for long. In addition, downstream plant disruptions in Northeast Asia have resulted in an increase in spot ethylene supply in the market. There are still some ethylene end-users who need to cover their requirements for September but most end-users decided to take a wait-and-see stance this week, expecting the Asian ethylene market to come down further as upstream crude oil market would likely remain weak for the time being. In addition, ethylene supplies are seen to be increasing in Southeast Asia, which also kept buyers on the sidelines in anticipation of further weakness in prices. Looking forward, some sources said the Asian ethylene market would become tight in September in line with planned steam cracker turnarounds, but some others said such tightness would be offset by current ample supplies in the market.

Rationale

The CFR Northeast Asia ethylene price dipped \$10/mt day on day to be assessed at \$820/mt Friday. A deal was reported to have been done at \$820/mt for September arrival. A bid level was heard below \$800/mt CFR NEA, while a sell idea was reported in the mid-\$800s/mt CFR NEA. Meanwhile, the CFR Southeast Asia ethylene price dropped \$16/mt from Thursday to be assessed at \$790/mt Friday. A bid level was heard in the low-\$700s/mt CFR SEA. The price decline basis CFR SEA is larger than that basis CFR NEA, reflecting heavier supplies in SEA.

ETHYLENE GLYCOL

Europe

- **Contract price plummets**
- **Upstream and downstream declines**

The European monoethylene glycol contract price settled initially Friday at Eur851/mt FD NWE, down Eur135 on the recent August settlement. Seller BASF and buyer Indorama confirmed. The initial September settlement came days after the full settlement Tuesday of the August contract price at Eur986/mt, a decline of Eur102 from the July price. A Eur90/mt fall in the September contract price of feedstock ethylene weighed on prices. The ethylene price settled fully Wednesday at Eur945/mt (\$1,076/mt), down Eur90/mt month on month. Buyer Clariant settled with LyondellBasell for the initial

settlement, and BASF and Vinnolit followed the settlement. All parties confirmed. The initial settlement followed weakness in naphtha prices. Naphtha was at \$351.75/mt Tuesday, down from \$457.25/mt when the ethylene contract price last settled. In MEG, abundant imports have been a feature of the market as well, although prompt supply on the market was heard to be slightly short. Buying activity was quiet. “Unfortunately, we did not make any spot deals on MEG,” a production source said Friday. FCA prices were heard pegged between the high Eur700s and low Eur800s. Platts assessed at the lower end to reflect lower upstream and downstream, at Eur770/mt FCA NWE. CIF prices were heard pegged at Eur710-750/mt NWE. Platts assessed at Eur730/mt, within the range heard and in line with the drop in FCA prices. Derivative polyethylene terephthalate prices fell Eur35/mt Wednesday to Eur895/mt FD NWE. The outlook in September for the polymer is bearish. The diethylene glycol fell Eur40 to Eur880/mt FCA. One offer was heard at Eur970/mt. Platts assessed down in line with the drop in MEG.

Rationale

The MEG spot price fell Eur40/mt on lower feedstock to Eur770/mt NWE FCA. Prices were heard pegged between the high Eur700s and low Eur800s. Platts assessed at the lower end to reflect lower upstream and downstream prices and the drop in the contract price. The CIF spot price fell Eur40 to Eur730/mt, in line with the FCA price. Prices were heard pegged at Eur710-750/mt. The DEG price fell Eur40 to Eur880/mt FCA. One offer was heard at Eur970/mt. Platts assessed down in line with the drop in MEG.

United States

- **Demand talked slow to steady**
- **September CP to drop: sources**

US mono ethylene glycol prices were stable week on week, assessed at 32.50 cents/lb FOB USG Friday as Asian prices rallied late week but September US contract prices were set to fall. The assessment remained at its lowest level since January 30 when it was at 32 cents/lb FOB USG, according to Platts data. Asian spot prices were up \$11/mt on the week to a Friday assessment of \$705/mt CFR China on higher futures and short-covering. US prices typically track Asian prices, per market feedback. Crude prices also rallied to end the week, settling at \$45.22/b Friday after dropping close to \$38/b midweek. Upstream US ethylene also rose, assessed 2.25 cents higher on the week at 25.25 cents/lb FD USG Friday. Higher ethylene prices, along with the higher crude and Asian prices, US MEG could stabilize, sources said. MEG demand was slow to steady, with some buyers holding off on product until September in anticipation of lower prices, sources said. Supply was balanced given demand, sources said. MEG supply could tighten in September — and into the fourth quarter — as turnarounds have been planned during that time, sources said. Tighter supply could also pressure prices higher, sources added. In contracts, MEGlobal dropped its North American benchmark for MEG 4 cents/lb (\$88/mt) from August to 45 cents/lb (\$992/mt) for September, market sources said Friday. The price fell for the second straight month and is down 7 cents since July’s

52 cents/lb. In Asia, MEGlobal nominated its September CP at \$940/mt CFR Asian main ports, down \$60/mt from August. Sabic nominated its September ACP at \$950/mt CFR Asia main ports, down \$70/mt from its August nomination, a company source said Friday. Shell, meanwhile, was at \$940/mt CFR Asia main ports for September, down \$80/mt from its August nomination, a source close to the negotiations said Friday. August US MEG contracts for fiber and PET makers were assessed at 42.7 cents/lb based on a weighted formula that applies discounts to announced contract prices, down 3.4 cent from July.

Rationale

US MEG was assessed stable at 32.5 cents/lb FOB USG based on spot talked in the low-30s cents/lb. August US MEG contracts for fiber and PET makers were assessed at 42.7 cents/lb based on a weighted formula that applies discounts to announced contract prices, down 3.4 cents from July. MEGlobal nominated its August ACP for MEG at \$1,000/mt CFR Asian main ports; Sabic nominated its August ACP at \$1,020/mt CFR Asia main ports; and Shell also nominated its August ACP for MEG at \$1,020/mt CFR Asia main ports, while MEGlobal dropped its North American benchmark CP to 49 cents/lb. The formula discounts the North American price by 15% and the ACP average by 5%, with each segment equally weighted, per market feedback.

Asia

- **Oct MEG futures surge Yuan 302/mt from Monday**
- **Traders actively seek Sep spot cargoes**

Asian monoethylene glycol rose \$11/mt week on week to be assessed at \$705/mt CFR China and \$708/mt CFR Southeast Asia Friday. Market sentiment rebounded following positive economic data from the US, a rebound in crude oil markets and a late-week rally in Asian and Chinese equity markets, all of which led to a sharp rise in October MEG futures. Several traders were heard short-covering H1 and H2 September swaps and physical positions. Trading was active, tracking the volatility of the actively traded October MEG futures as well as forward swaps. Actively traded October MEG futures on the Huaxicun Commodity Exchange surged Yuan 302/mt from Monday's open to Yuan 5,502/mt at Friday's close. Traders were heard short covering H1 and H2 September positions, trading up from Monday's \$645/mt CFR China to Friday's close at \$705/mt CFR China for H1 September loading. PET and polyester plants in China and Taiwan continued to run at reduced rates of 70-75%. China domestic PTA prices rose Yuan 200/mt week on week to be assessed at Yuan 5,650/mt.

Rationale

Asian MEG prices were assessed at \$705/mt CFR China and \$708/mt CFR Southeast Asia Friday. Before Platts MOC, deals were heard in the early afternoon at \$705-\$710/mt for H1 September loading. Offscreen, during the Platts MOC, a deal was heard between Chinese traders at \$705/mt CFR China for H1 September loading. Platts assessed at the traded level of \$705/mt CFR China, and in view of the strong rebound in Asian and Chinese equity markets, a rebound in crude and sharply higher October MEG futures.

PROPYLENE

Europe

- **September contract price settlement down Eur110/mt**
- **A second propylene export from Ruwais to Europe**

The Northwest European September propylene contract price fully settled Wednesday at Eur820/mt (\$921/mt) FD NWE, down Eur110 on the month, industry sources said. The bearishness in propylene was attributed to easing supply through August and softening naphtha, the primary feedstock for olefin production in Europe. Naphtha was assessed at \$457/mt CIF NWE when propylene last settled July 29 for August. It had since fallen 25% to assessed to \$343/mt when propylene settled for September. Propylene was said to be getting longer in Europe through August since restarts at Shell's Dutch Moerdijk cracker and Naphtachimie's Lavera cracker in France in July. European propylene spot prices fell this week, on a steep decrease in contract price, sources said this week. Prices were assessed at Eur775/mt on Friday, down Eur61/mt on the week. Discounts on the September CP had been heard almost level with those on the August CP at, or close to, 6%, sources said. The length of propylene was expected to continue growth through September, sources said. Imports placed bearish pressure on Europe. A second propylene export has been fixed to load early September from Ruwais to Europe, a shipping source said Friday. The export of 7,000 mt will follow 7,000-9,000 mt loaded August 19-21. The shipments come from state-owned Abu Dhabi Oil Refining Company's (Takreer) refinery, sources said. Imports of propylene from the Middle East are unusual, and the introduction of regular shipments to Europe was expected to affect the spot market. An open arbitrage between the US and Europe exists with polymer-grade propylene seen traded this week at 26.25 cents/lb (Eur515/mt) FD US Gulf. Imports from the US were expected to arrive in September, a shipping source said. Maintenance in September may balance length brought by imports. Partial maintenance at Ruhr Oel's Gelsenkirchen refinery is to start Monday, lasting around six weeks, a spokeswoman said Friday. The maintenance will apply to the Scholven site at the refinery. The refinery is made up of the Horst and Scholven sites, with Horst representing around a third of the refinery's total capacity. Meanwhile, the restart of Unipetrol's petrochemical complex in Litvinov, Czech Republic, shuttered by an explosion two weeks ago, is expected to take months, the company said Thursday. "Regarding the restart of operations to their full extent, we are still talking approximately about the horizon of months rather than weeks," Unipetrol said in a statement. The company declared force majeure on petrochemical supplies after the August 13 explosion. The halt on production applies to Unipetrol's Chempark Zaluzi steam cracker. The cracker at the site can produce 544,000 mt/year of ethylene.

Rationale

European polymer grade propylene spot prices were assessed at Eur775/mt FD NWE Friday, down Eur61/mt on the week. Market participants pegged discounts at or close to discounts of 6% against both August and September contract prices, which Platts assessed at.

European chemical grade propylene spot prices were assessed at Eur750/mt FD NWE Friday, down Eur60/mt. Chemical grade fell following the September CP while maintaining its spread with PGP.

United States

- **September CPs nominated 2-cent lower**
- **Supply length persists amid high run rates**

US spot refinery-grade propylene fell 3 cents/lb (\$66/mt) week on week to a Friday assessment of 15.75-16.25 cents/lb delivered, on continued talks of ample supply, strong refinery run rates and expectations of polymer-grade propylene production capacity increases, sources said. Friday's RGP assessment was the lowest since January 2, 2009 (13.125 cents/lb delivered), according to Platts data. The assessment was based on September bid-offer ranges at 15-17 cents/lb MtB-pipe, and followed Thursday deals at 16 cents/lb. No trades were heard Friday. US spot polymer-grade propylene was assessed at 26.50-27 cents/lb FD USG for August and September deliveries, down 1 cent/lb week on week. No trades were heard Friday. The assessment was based on Friday bids at 25.75 cents/lb MtB-pipe against no offers. The assessment allowed for 1-cent negotiation room. The assessment was at lowest since April 9, 2009, when spot was assessed at 26 cents/lb. Propylene trading began the week on a soft note, with September traded at 26.25 cents/lb MtB-pipe, sources said. US propylene production facilities — including refineries, steam crackers, splitters and propane dehydrogenation units — have seen steady operation in the past few months, contributing to the length in the market, sources said. In contracts, initial nominations for September US polymer-grade and chemical-grade propylene contracts called for 2 cent decreases that would put prices at 31 cents/lb and 29.5 cents/lb, respectively, sources said Thursday. The nomination came from ExxonMobil Chemical, sources added. Confirmation from the company was unavailable by time of publication. If the nomination is accepted marketwide, it will mark the seventh decrease in as many months. August contract prices settled mid-month at 33 cents/lb and 31.5 cents/lb for PGP and CGP, down 3.5 cents/lb from July's levels after initial nominations called for a rollover. Market expectations for September PGP contract prices earlier in the week called for 3-4 cents/lb declines to 29-30 cents/lb, as spot prices have followed lower crude oil prices lower. Downstream, US polypropylene inventories rose to 1.422 billion lb in July from 1.415 billion lb in June, data from the American Chemistry Council showed. Production capacity for the month remained at 18.456 billion lb/year, or 1.568 billion lb/month for July, the data showed. End-July inventory was down 1 million lb from 1.423 billion lb a year ago. With July production of 1.488 billion lb and estimated production capacity of 1.568 billion lb, the preliminary run rate for the month was 94.91%, according to the ACC data.

Rationale

US spot RGP fell 3 cents/lb week on week to 15.75-16.25 cents/lb delivered Friday. The assessment was based on September bid-offer ranges at 15-17 cents/lb MtB-pipe, and followed Thursday deals at 16 cents/lb. In lieu of transactions, Friday's price was assessed at the

midpoint of the bid-off range. August and September PGP assessments fell 1 cent/lb for the week, assessed at 26.5-27 cents/lb FD USG, based on August and September bids at 25.75 cents/lb MTB-pipe, against no offers and no deals. The prices were assessed 1 cent/lb higher than the bid to account for negotiation. Spot CGP was down 1 cent to 23.5-24 cents/lb delivered. No spot deals, bids or offers were heard for the period. In the absence of price indicators, the 3- to 30-day assessment was based off spot PGP assessments, with a 3-cent/lb discount applied, per market feedback. August propylene contracts were settled last week at 33 cents/lb for PGP and 31.5 cent/lb for CGP, per market feedback, both 3.5 cents/lb lower than July levels.

Latin America

- **5,000-mt cargo unloaded at Altamira**
- **PP demand in Mexico strong: source**

US-origin propylene found its way this week to Mexico, with polypropylene maker Indelpro the buyer. The 5,000-mt volume was unloaded at Indelpro's terminal at Altamira, a source with knowledge of company business said. The source declined to outline the sale price and terms. The activity came as initial nominations for September contract prices in the US Gulf Coast called for a 2-cent/lb decrease that, if accepted, would lower polymer-grade propylene to 31 cents/lb and chemical-grade propylene to 29.5 cents/lb. The source said the propylene cargo was not due to a shortage of feedstock, but rather surging demand for downstream polypropylene. Indelpro produces and sells PP in Mexico and Central America. Indelpro last bought monomer in mid-July, in two cargoes totaling 12,000-mt from Brazil, according to Platts cFlow ship-tracking software. Indelpro has been an active participant throughout 2015, steadily buying material on a spot and contractual basis, sources said. Elsewhere, Brazil's Braskem was heard running without issues and exporting "as usual" while keeping an eye on falling Asian markets, a company source said. In downstream markets, import pricing dipped in both Peru and Brazil. Economic conditions — including weakened domestic currencies in both markets — continued to hamper trade activity, sources said.

Asia

- **New supply continues to weigh on market**
- **China's stock market tumble hurts sentiment**

CFR China propylene fell \$103/mt week on week to be assessed at \$735/mt on Friday. Compared with Thursday, CFR China propylene was up \$10/mt. CFR China propylene prices had fallen steadily throughout most of the week alongside the fall in China's stock market which hurt sentiment, before rebounding slightly on Friday. Further downward pressure came from an increase in supply, following the recent start-up of two new plants in China and South Korea. FOB Korea propylene was assessed at \$695/mt on Friday, down \$103/mt from the week before and up \$10/mt from Thursday, in tandem with the fall in China, which is a key export market for South

Korea. In Southeast Asia, Indonesia's Chandra Asri plans to shut its sole naphtha-fed steam cracker in the fourth week of September for a 90-day turnaround. The plant was originally scheduled to shut at the end of August, but this was delayed as its contractor was not ready. The steam cracker, which is currently running at 80% of its capacity, can produce 320,000 mt/year of propylene. Meanwhile, Thailand exported 38% more propylene in July this year compared with the year before at 16,461 mt, according to customs data released Thursday. Exports were also down 2.8% from June.

Rationale

CFR China propylene was assessed at \$735/mt Friday, down \$103/mt from the week before and up \$10/mt from Thursday. On Friday, the bid level for a H2 September CFR China cargo was heard at \$725/mt, while the sell idea was heard at \$745/mt. FOB Korea propylene was assessed at \$695/mt Friday, down \$103/mt from last Friday and rising \$10/mt from the day before, keeping pace with the fall in CFR China amid a lack of firm bids and offers heard. China is a key offtaker of South Korean propylene.

BUTADIENE

Europe

- **NWE contract settles Eur75 lower for Sep**
- **Downstream SBR, upstream CC4 seen flat**

European butadiene prices were assessed at \$750/mt FOB R'dam Friday, down \$8 week on week. In the European domestic markets, the FD NWE price was assessed at Eur720/mt down Eur5 on the week. No spot deal was heard this week as the markets awaited the product's contract settlement for September through the week to find a fresh direction. The butadiene contract for September in Europe settled at Eur695/mt FD NWE, down Eur75/mt from the August contract price, market sources said Friday. In Asia, where European butadiene cargoes are often exported, butadiene fell \$35 week on week to be assessed at \$880/mt CFR China Friday. Markets were seen better supplied this week but no firm offers were heard and demand was not strong. Major European crackers including Shell's cracker at Moerdijk in the Netherlands and Naphtachimie's cracker at Lavera, France were now heard running at higher run rates after their earlier restarts. While Shell's Moerdijk cracker restarted early July after having been shut since October 2014, the Naphtachimie cracker in Lavera was shut from mid-May to mid-June. Restarting Unipetrol's petrochemical complex in Litvinov, Czech Republic, shuttered by an explosion two weeks ago, is expected to take months, the company said Thursday. Feedstock CC4's factor to naphtha was assessed at 1.1 Friday, unchanged week on week and did not provide a fresh direction to butadiene.

Rationale

FOB R'dam butadiene was assessed at \$750/mt, down \$8 week on week and at the market pegs placed by several trade sources. In the

domestic markets, butadiene was assessed at Eur720/mt FD NWE down Eur5 on the week to reflect an impact from a sharp Eur75 month on month drop in the product's contract prices for September.

United States

- **Spot stable as ranges remain consistent**
- **LyondellBasell declares force majeure: letter**

Nominations for the September US butadiene contract price were down 1-3 cents/lb from August, sources said throughout the week. TPC Group nominated its contract price at 35 cents/lb (\$772/mt), down 1 cent/lb (\$22/mt) from August, sources said Friday. Shell Chemicals and LyondellBasell each nominated their contract price at 38 cents/lb (\$838/mt), down 3 cents/lb (\$66/mt) from August, while ExxonMobil nominated its contract price at 46 cents/lb (\$1,014/mt), down 1 cent/lb (\$22/mt) from August, sources said. Confirmation from the producers on the nominations was unavailable. The nominations are void of any discounts or adders that producers might include, sources said. In the spot market, US butadiene prices were assessed flat on the week at 42 cents/lb CIF USG Friday as fundamentals remained consistent and buyers and sellers were at a standstill, sources said. Demand continued to be heard slow, with supply expected to improve in September as more capacity in Europe was online and that should lead to more supply being shipped to the US, sources said. As much as 10,000 mt of butadiene was loading out of Europe in early to mid-August destined for the US, according to a shipping report. However, sources were uncertain if this material was contract or spot. In US production, LyondellBasell declared a force majeure on butadiene out of its 850 million lbs/year Channelview, Texas, plant due to a mechanical failure, according to a letter sent to customers. "We regret to inform you that on August 25, 2015, the rainstorm caused a mechanical failure within the Butadiene extraction unit at the Channelview plant ("Channelview BD Unit"). Accordingly, we must declare a force majeure event for Butadiene produced at the Channelview BD Unit effective August 26, 2015," LyondellBasell said in the letter sent Wednesday. A call to LyondellBasell seeking additional details on the force majeure was not returned. US butadiene buyers and sellers continued to be heard at a standstill, with buyers seeking prices at or below 40 cents/lb CIF USG, while sellers were in the mid-40s cents/lb, sources said. In global markets, European butadiene fell \$8/mt on the week to \$750/mt FOB Rotterdam, while Asian butadiene was assessed Friday at \$880/mt CFR China and \$870/mt FOB Korea, down \$30-\$40/mt on the week. The arbitrage from Europe to the US was closed, sources said.

Rationale

US spot butadiene was assessed at 42 cents/lb CIF USG Friday based on buying indications at 40 cents/lb or below and selling indications in the mid-40s cents/lb. The assessment was made on the lower end on weak demand and expectations for better supply. The August contract price was settled at a 36-47 cents/lb split settlement at the end of July, sources said.

Latin America

- **Brazilian exports hit Mexican port**
- **Braskem reports no production issues**

Latin American market participants talked contracts lower this week, as both the US producers nominated for 1-3 cent/lb decreases, and while prices in Europe settled lower, sources said. In the US, TPC Group nominated its September US butadiene contract price at 35cents/lb (\$772/mt), down 1 cent/lb (\$22/mt) compared with its August contract price, sources said Friday. Shell Chemicals and LyondellBasell each nominated their September US butadiene contract price at 38 cents/lb (\$838/mt), down 3 cents/lb (\$66/mt) from August, while ExxonMobil nominated its September US butadiene contract price at 46 cents/lb (\$1,014/mt), down 1 cent/lb (\$22/mt) from August, sources said. In Europe, the contract price for September was fully settled at Eur695/mt FD NWE (\$781/mt), down Eur75/mt from the August contract price, market sources said Friday. NWE butadiene for August had settled at Eur770/mt FD NWE. Latin American market players had said the decrease was expected as bearish spot market conditions—including unstable crude markets and weak demand—continued to be an issue. “Butadiene contracts still have room to fall next month,” a trader who participates in Latin America said adding that the spot demand was pretty weak. In trade activity, two Brazil-origin cargoes totaling 4,000-mt was unloaded at the Mexican port of Altamira this week, records showed. Brazil’s Braskem was heard “exporting as usual”, a company source said. No production issues were heard at the monomer complexes. In Europe, the contract price for September was fully settled at Eur695/mt FD NWE (\$781/mt), down Eur75/mt from the August contract price, and was pretty weak. In trade activity, two Brazil-origin cargoes totaling records showed. Brazil’s Braskem was heard “exporting as usual”, a company source said. No production issues were heard at the monomer complexes.

Asia

- **CFR China hits four-month low**
- **Deepsea supplies increasing**

The Asian butadiene market fell \$25-\$45/mt week on week Friday amid rising supplies. The CFR China butadiene marker fell \$35/mt from the previous week to hit a four-month low Friday. Spot supply in the Asian market was heavy, with some deepsea cargoes seen to have been offered. A total 15,000 mt of spot material is seen to be available from Iran for August-October, while a 5,000-mt cargo was also offered from Brazil, a market source said. Malaysia’s Titan also closed a tender to sell a 2,000-mt spot cargo for September 18-21 loading this Thursday. Several trading sources said the Titan cargo was sold into South Korea, but this could not be confirmed. Buyers stayed largely on the sidelines this week, awaiting for the Asian butadiene market to fall further. Looking forward, some market sources said the Asian butadiene market would likely hit bottom soon as supplies from regional producers are expected to tighten due to steam cracker turnarounds coming up. Butadiene production is also seen to be reduced as some steam cracker operators are considering reducing operating rates due to high ethylene inventory.

Rationale

The CFR China butadiene price dropped \$35/mt week on week to be assessed at \$880/mt Friday. A buying indication was seen at \$850/mt CFR China, while an offer was heard at \$900/mt CFR China. Several deals were reported to done this week — at \$850/mt CFR China, \$900/mt CFR China and \$930/mt CFR China — but Platts did not use these deals for Friday’s assessment process as identities of buyers and sellers were not known. The CFR Taiwan butadiene price fell \$25/mt from the previous week to be assessed at \$890/mt Friday. A buying idea was heard in the high-\$800s/mt CFR Taiwan, while an offer was heard at \$950/mt CFR Taiwan.

POLYMER FEEDSTOCKS: AROMATICS

PARAXYLENE

Europe

- ICE crude rebounds after a mid-week sell-off
- PX buy interest grows domestically and for exports

The volatility in crude oil has been driving the xylenes market in Europe this week, with MX prices making a sharp U-turn after hitting a seven-month low mid-week. The spot price of MX was assessed at \$673.50/mt FOB ARA Friday, up \$28/mt on the day and \$15/mt on the week. Paraxylene and orthoxylene experienced a similar turnaround, though the intra-week dip brought prices down to the lowest levels only since April. Spot OX and PX were assessed on par with each other and at \$770/mt FOB ARA, tracking a \$28/mt day-on-day increase in feedstock MX. ICE front-month crude oil futures jumped \$3.70/b on the day to \$49.59/b, the highest since early August. Demand for MX from blenders was no longer strong, and many looked to price their spot tonnes against October gasoline swaps. The upcoming gasoline spec change in October ensured a steep — \$37/mt — backwardation between September and October EBOB swaps. The narrowing gasoline-naphtha spread was also reducing the necessity to blend high-octane components, like toluene in the mix. Chemical demand has yet to revive, and so far there was only limited spot demand. Downstream, paraxylene and orthoxylene margins remained under pressure, with spreads to MX hovering below the \$100/mt mark. For integrated producers however, spreads to naphtha were still healthy, at \$358/mt Friday. Extraction was still limited to contractual obligations and xylenes volumes appeared to be consumed captively. The only volumes which have been recently seen in Europe were imported from either Russia or Algeria, sources said. At least two traders meanwhile said that they would be interested in buying PX both for European consumption and for potential exports. While the netbacks from all regions seemed unworkable, sources said that there was a potential appetite for European material in South America. With the August CP fully settled this week at Eur785/mt (\$881.60/mt), current spot prices were at a 12.7% discount. In OX, no firm spot activity was heard during the week, and netbacks from other regions indicated that the arbitrage was not workable. Spot prices were at a 14.3% discount to the CP, and some consumers said earlier in the week that they expected an Eur80-90/mt decrease in September. PTA: PTA prices dipped this week to be assessed at Eur694-704/mt reflecting the drop in feedstock PX contract prices. Downstream demand was tailing off seasonally and sources said that there could be a further influx of imports into Europe from Iran, Pakistan and the UAE after the expiration of duties at the end of September. In fact, imports could continue coming from India, despite recently introduced countervailing duties, if the Chinese market does not cope well. In Europe, sources still expected to see the Artlant PTA plant restart in the second half of September.

Rationale

Platts assessed mixed xylenes loading September 2-27 at \$673.50/mt FOB ARA, up \$28/mt on the day and \$15/mt week on week. Total Petrochemicals (TPRSA) sold a 1kt parcel into Stasco bid loading September 5-30 at a \$150/mt premium over EBOB gasoline swaps.

POLYMER FEEDSTOCKS – AROMATICS

Weekly Average Spot*

Styrene FOB Korea (\$/mt)	893.80-894.80
Styrene FOB ARA (\$/mt)	1162.90-1163.90
Styrene FOB USG (cts/lb)	43.00-43.50

Paraxylene FOB Korea (\$/mt)	734.00-735.00
Paraxylene FOB Rdam (\$/mt)	739.80-741.80
Paraxylene FOB USG (\$/mt)	737.00-747.00

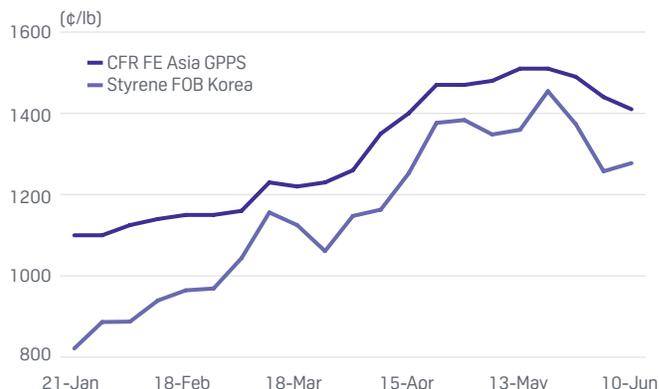
Monthly Contract Price

Styrene Barge FOB ARA CP (Eur/mt) (Aug)	1300.00
Styrene Truck FCA Rdam CP (Eur/mt) (Aug)	1300.00
Styrene FOB USG (cts/lb) (Aug)	54.00-55.00

Paraxylene CFR Asia Average (Sep)	NA
Paraxylene FD NWE (Eur/mt) (Aug)	785.00
Paraxylene FOB USG (¢/lb) (May)	49.00-49.00(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.

Platts assessed MX at a \$150/mt premium, on the traded level. September EBOB swap was assessed at \$523.50/mt. Platts assessed PX and OX at parity to each other at \$770/mt, and at a constant premium to MX at \$770/mt. PTA prices dipped to Eur694-704/mt tracking the decrease in PX contract price.

United States

- Activity minimal amid slow demand
- MX-PX spread improves

US spot paraxylene assessments fell \$5/mt for the week, assessed Friday at \$765/mt FOB USG, AS Asian levels were stable and demand remained quiet, sources said. Market activity was minimal because of production economics, which had improved, but were still considered by market participants to be unfavorable. Asian paraxylene was stable this week, assessed Friday at \$759/mt FOB Korea and \$780/mt CFR Taiwan/China. In contracts, settlements still had not been reached for

June, July or August, sources said. However, there was talk of an August settlement at 46 cents/lb. Paraxylene production economics were more attractive than they have been in recent months, with the MX-PX spread at \$144/mt. Market participants typically consider a healthy spread to be around \$150/mt. Upstream, mixed xylene fell 20 cents week on week to a Friday assessment of 205 cents/gal (\$621.15/mt) FOB USG.

Rationale

The 3-30 day paraxylene assessment at \$765/mt FOB USG based on price indications near at Asia pricing levels. Asian paraxylene was stable this week, assessed Friday at \$759/mt FOB Korea and \$780/mt CFR Taiwan/China. US contracts last settled for May at 49 cents/lb, sources said. Contracts typically settle retroactively.

Asia

- **PTA futures jump Friday**
- **SKGC nominates Sep ACP at \$770/mt CFR**

Week on week, Asian paraxylene prices were unchanged at \$759/mt FOB Korea and \$780/mt CFR Taiwan/China Friday, rebounding from much lower levels seen earlier in the week as crude oil and purified terephthalic acid futures rebounded Friday. October ICE crude oil futures rose \$2.12/barrel day on day to \$46.76/b at 4:30 pm Singapore time (0830 GMT), but that was about \$1/b lower than values seen earlier Friday. PTA futures for September jumped Yuan 166/mt to close at Yuan 4,312/mt on the Zhengzhou Commodity Exchange. January futures also rose Yuan 174/mt to Yuan 4,514/mt. In upstream markets, isomer-grade mixed xylene soared \$30/mt to \$641.50/mt FOB Korea. In related news, South Korea's SK Global Chemical nominated its September PX Asia Contract Price at \$770/mt CFR late Thursday, contrary to the company's initial stance of not nominating for the month due to market volatility, a SKGC source said Friday. The September nomination is \$90/mt lower than its August nomination and is the lowest so far as other sellers nominated at \$780-810/mt CFR. In other news, Thailand exported 38,387 mt of PX in July, up 34.43% from June and nearly doubling year on year, customs data released Thursday showed.

Rationale

PX was assessed up \$22/mt day on day at \$759/mt FOB Korea and \$780/mt CFR Taiwan/China Friday. The markers take the average of the H2 September and H1 October laycans. Offscreen during the Platts Market on Close assessment process, H2 September saw three offers at \$780/mt with conditions CFR Taiwan/China, CFR Ningbo and CFR Dalian. The laycan was bid at \$775/mt CFR Taiwan/China, but only for Asian origin. The laycan was assessed at \$777/mt CFR Taiwan/China. Maintaining the forward curve structure from the day before, H1 October was assessed at \$783/mt CFR Taiwan/China, between an offer at \$785/mt CFR Ningbo and a bid at \$770/mt CFR Taiwan/China. The above rationale applies to the following market data codes: "PHASS05" for FOB Korea and "AAQNE00" for CFR Taiwan/China.

Bids/offers/trades

MOC Bids/offers/trades:

MOC deal Summary: None.

MOC Outstanding Interest:

MOC bids: None.

MOC offers: None.

Exclusions: No MOC market data was excluded from the August 28, 2015 assessment process.

STYRENE

Europe

- **September-October backwardation widens to \$146**
- **Climbs 50 cents after ICE Brent crude rise**

European 5-30 day styrene was assessed at \$1,138.50/mt FOB, up 50 cents but despite this recovery, over the week, styrene fell \$137/mt as crude oil prices tumbled following the stock market crash in China. In today's market, ICE Brent futures jumped \$2.38 or 5% to hit \$49/barrel. Traded activity was thin but sources reported October barges pricing at \$950-1,030/mt with the premium over benzene pricing at \$350-400/mt. As a result the September-October backwardation was assessed at \$146/mt up from \$106/mt on Thursday. Platts assessed benzene for delivery 5-30 days forward at \$590/mt CIF ARA, up \$13.

Rationale

Platts assessed the European spot price of styrene for 5-30 days forward loading at \$1,138.50/mt FOB ARA, up 50 cents on the day, but down \$137 on the week. October was pegged at \$950-1,030/mt FOB R'dam with an October benzene-styrene spread reported at \$350-400/mt. As a result, Platts assessed October at \$985/mt FOB ARA, down \$40 and widening the September-October structure to \$146/mt from the previously assessed backwardation of \$106/mt.

United States

- **Fall lags behind global decline, feedstocks**
- **Europe, Asia arbitrage workable**

US spot styrene prices tumbled to a six-month low at a Friday assessment of 41 cents/lb (\$904/mt), down 8 cents on the week, as European spot prices tumbled and lagging behind falling feedstocks benzene and ethylene, sources said. The assessment was at its lowest level since February 4 when it was at 39.75 cents/lb, based on Platts data. Activity was thin to start the week but picked up during the latter part, with a September deal done at 41 cents/lb, sources said. Deals for October were talked, but no firm numbers or details were reported. Second-half September product and October material was available, sources said. Demand was average, with downstream polystyrene average but slowing as the summer season was in its latter stages, while downstream acrylonitrile-butadiene-styrene

demand was average, sources said. Where the product would be headed was uncertain, sources said, adding that the arbitrage to Europe was open this week, and the arbitrage to Asia was workable on paper at the end of the week. European September spot pricing was down \$129/mt over the week at an assessment of \$1,131/mt FOB ARA Friday, meaning with freight estimated at \$75/mt, the arbitrage would remain workable as long as US styrene was cheaper than 47.90 cents/lb FOB, and with European October styrene assessed at \$985/mt FOB ARA Friday, US styrene would need to be less than 41.25 cents/lb, according to Platts data. As much as 53,500 mt of styrene was heard headed to Europe for August arrival, sources said. Chinese styrene was assessed at \$976/mt CFR for H1 October, meaning with freight estimated at \$65/mt, US styrene needs to be less than 41.30 cents/lb to work the arbitrage, based on Platts data. In feedstocks, US spot benzene was assessed Friday at 217 cents/gal (\$649/mt) FOB USG, up 5 cents on the week following a late week rally in crude. Expectations for the September US benzene contract were for a sizeable decline by possibly as much as 60-70 cents, sources said. The August US benzene contract price settled 25 cents/gal lower from July at 280 cents/gal (\$837/mt), sources said. The US styrene-benzene spread was around \$252/mt Friday, based on Platts data. The spread remained healthy, sources said. Based on feedstocks, variable costs for styrene were estimated as low as 33 cents/lb, based on Platts data, meaning margins on spot deals could be as high as 6-8 cents.

Rationale

The three-30 day styrene assessment at 41 cents/lb FOB USG was based on a September deal at 41 cents/lb done Thursday and price indications in the low-40s cents/lb. The US domestic transaction price was assessed at 54-55 cents/lb FOB USG ex-tank based on price indications at that level.

Asia

- Short-covering supports domestic China SM
- Chevron Phillips shuts SM plant in Oct

Asian styrene monomer rose \$37/mt day on day to \$957.50/mt FOB Korea and \$978.50/mt CFR China Friday, on the back of emerging downstream demand and rebounding upstream markets. Week on week, SM was up \$41/mt. The domestic China SM marker was up Yuan 550/mt day on day to Yuan 8,100/mt Friday. A Seoul-based source said short-covering was supporting the prompt China domestic SM market. Lower SM inventory in East China and improving downstream markets were also strengthening SM prices. Inquiries increased from Chinese customers after oil and SM markets stopped sliding mid-week, a polystyrene trader based in Singapore said. But, another downstream market trader cautioned: "It's typical that Chinese customers buy more at the day when SM increases. It is still too early to say anything." In plant news, Saudi Arabia's Chevron Phillips plans to shut its 777,000 mt/year SM plant in October for a scheduled turnaround. The SM plant at Jubail will likely be shut for about 40 days. The estimated loss during the maintenance period is around 85,200 mt, assuming a run rate of 100% of capacity. Saudi Arabia was China's fourth-largest supplier of SM in 2014, according to Chinese customs data. China imported 444,304 mt of SM from Saudi Arabia in 2014, accounting for 12.1% of imports of around 3.7 million mt/year.

Rationale

CFR China SM rose \$37/mt to \$978.50/mt Friday. During the Platts Market on Close assessment process, an off-screen a bid for September was heard at \$985/mt CFR China for Asia origin, which is equivalent to \$980/mt CFR China for open origin. As a result, H2 September CFR China was assessed \$1/mt above the normalized bid at \$981/mt. No counteroffers were seen in the market.

POLYMER FEEDSTOCKS: INTERMEDIATES

PURIFIED TEREPHTHALIC ACID

United States

- PX contracts remain unsettled
- Feedstock PX spot pricing inches lower

The August US purified terephthalic acid price remained unsettled to end the month, as contract prices for upstream paraxylene also remained unsettled, sources said. August marked the third straight month without a formal final settlement of the PX contract and PTA prices since the May paraxylene contract settled at 49 cents/lb, sources said. The lack of settlements were causing downstream producers to use estimates for pricing, sources said. The June US PTA price was talked at 50.22 cents/lb (\$1,107/mt), up 2.67 cents from May, sources said. The price was based on a June US paraxylene contract talked at 53 cents/lb, up 4 cents/lb from May, per market feedback. A July PTA price of 50.29 cents/lb based on a July US paraxylene contract price of 53 cents/lb was being talked, sources said. US PX contracts typically settle retroactively around the third to last week of a month, per market feedback. However, sources said it is rare for the contract to go unsettled in a month and to need a two-month settlement. For August, expectations were for a lower PX prices that would lead to a decrease in the PTA price as well. US spot PX was down \$5 on the week to an assessment at \$765/mt FOB USG. Paraxylene is the main feedstock for PTA, which represents the main feedstock in PET as 1 lb of PET requires 0.87 lb of PTA and 0.34 lb of MEG. In PET, sources said prices for June and July were estimated to be up 3.25-3.5 cents/lb based on the estimated PX and PTA numbers. In PTA, demand was steady and supply balanced with demand.

Rationale

The July and August purified terephthalic acid prices were still unsettled this week. The June PTA price was talked at 50.22 cents/lb (\$1,107/mt), up 2.67 cents from May, based on market feedback. The increase was based on the June US PX contract talked at 53 cents/lb, sources said. May PTA was the last settled price at 47.55 cents/lb. The US PX contract represents the key variable in the PTA price.

Asia

- Offers fall for dollar-denominated cargoes
- Downstream PET plant run rates kept low at 70%-75%

Asian purified terephthalic acid prices fell \$29/mt week on week to \$553/mt CFR China, \$571/mt CFR Southeast Asia and \$578/mt CFR India, amid growing supply of dollar-denominated spot cargoes and Chinese domestic parcels. Despite the improved market sentiment seen Friday, following positive economic data from the US, a late rally in Asian and Chinese equity markets, and sharply higher September PTA and October monoethylene glycol futures, spot prices of dollar-denominated cargoes remained under substantial pressure. Traders were being forced to sell at lower prices, as they faced pressure from suppliers to lift first-half September loading

POLYMER FEEDSTOCKS – INTERMEDIATES

Weekly Spot

PTA CFR China (\$/mt)*	550.0-552.0
PTA CFR SE Asia (\$/mt)	570.0-572.0
PTA CFR South Asia (\$/mt)	577.0-579.0

EDC CFR FE Asia (\$/mt)	249-251
EDC CFR SE Asia (\$/mt)	279-281
EDC FOB NWE (\$/mt)	318-322
EDC FOB USG (\$/mt)	220-230

VCM CFR FE Asia (\$/mt)	679-681
VCM CFR SE Asia (\$/mt)	689-691
VCM FOB NWE (\$/mt)	618-622
VCM FOB USG (\$/mt)	550-560

Acrylonitrile CFR FE Asia (\$/mt)	1109-1111**
Acrylonitrile CFR SE Asia (\$/mt)	1084-1086**
Acrylonitrile CFR South Asia (\$/mt)	1044-1046**
Acrylonitrile FOB USG (\$/mt)	985-995**
Acrylonitrile CIF Mediterannean (\$/mt)	1098-1102**

Monthly Contract Price

PTA FD NWE (Eur/mt) (Aug)	694-704
PTA Delivered USG (¢/lb)(May)	47.55-47.55
VCM Delivered USG (¢/lb)(Aug)	NA-NA

US domestic prices reflect transaction pricing for medium-sized customers.

* Average prices for week ending previous Friday.

** ACN prices reflect assessments at close of Tuesday

PLATTS ASIAN PTA VERSUS PARAXYLENE (\$/mt)



Notes: All intermediates prices reflect assessments at close of Thursday, with the exception of PTA CFR China.

cargoes, said sources. The most actively traded September PTA futures on the Zhengzhou Commodity Exchange traded up late this week, to close Yuan 112/mt higher from Monday's open at Yuan 4,312/mt on Friday close. Chinese domestic PTA prices traded up Yuan 150/mt from Monday's open to close at Yuan 4,390/mt Friday. However, despite the positive sentiment in futures markets, operating rates at several downstream polyethylene terephthalate and polyester plants in China and Taiwan continued to remain low at 70%-75%, said sources.

Rationale

The CFR China PTA marker was assessed at \$553/mt Friday, down \$29/mt week on week. The assessment took into consideration bid and offer levels heard at \$550/mt and \$560/mt CFR China, respectively, for first-half September loading cargoes. Platts assessed between the bid and offer due to an absence of firm trades.

ACRYLONITRILE

Europe

- Demand weak with solid availability
- Propylene CP fall influences sentiment

European acrylonitrile prices fell this week following the drop in feedstocks to close Tuesday at \$1,100 mt CIF Med, down \$40/mt. One trader said there was very little buying interest and availability was good enough in the market. But another trader, although conceding that prices had dropped following the collapse in propylene, said that there were limited import cargoes in the market affecting availability. The Northwest European September propylene contract price fully settled Wednesday at Eur820/mt FD NWE, down Eur110 on the month, industry sources said. The bearishness in propylene was attributed to easing supply through August and softening naphtha, the primary feedstock for olefin production in Europe. Naphtha was assessed at \$457/mt CIF NWE when propylene last settled July 29 for August. It had since fallen 25% to be assessed at \$343/mt when propylene settled for September.

Rationale

European acrylonitrile prices closed Tuesday at \$1,100/mt CIF Med, down \$40/mt. Indications ranged from \$1,025-\$1,100/mt. Platts assessed at the higher end as it was seen more repeatable.

United States

- Global prices continue to fall
- Sep propylene nominated down 2 cents

The US ACN export assessment fell \$10/mt on the week to \$985-\$995/mt FOB USG on lower global prices and falling feedstock propylene prices, sources said. The assessment dropped below \$1,000/mt FOB USG for the first time since April 28, 2009, when it was at \$925/mt FOB USG, according to Platts data. US ACN prices have fallen 50% since the September 12, 2014 assessment at \$1,980/mt and have lost \$670/mt since the start of 2015, based on Platts data. Demand was characterized as slow to steady, with the market talked around the \$1,000/mt FOB USG level. Supply was heard tighter, sources said. In global markets, Asian prices fell \$35/mt on the week, assessed Tuesday at \$1,110/mt CFR Far East and \$1,045/mt CFR South Asia and European spot prices fell \$40/mt over the week, assessed at \$1,100/mt CIF Med. With falling propylene prices, ACN prices were expected to remain under pressure through September. Production costs based on raw materials were estimated by sources at \$950-\$1,000/mt for August. Feedstock

propylene contracts for September were nominated 2 cents/lb lower than August, with expectations that contracts could drop as much as 5 cents/lb, sources said. The August US chemical-grade propylene contract settled down 3.5 cents from July at 31.5 cents/lb, sources said. The US acrylonitrile domestic assessment was stable on the week, assessed at a six-year low of 55 cents/lb delivered on a lower feedstock chemical-grade propylene contract for August. The assessment remained at its lowest level since August 11, 2009, when it was at 54.50 cents/lb delivered, according to Platts data. The domestic assessment is a formula-based contract price using feedstock chemical-grade propylene as well as ammonia, per market feedback.

Rationale

US export prices of acrylonitrile were assessed at \$985-\$995/mt FOB USG based on buying interest as low as \$950/mt, against no offers, with the market talked around \$1,000/mt and tracking global prices. The US ACN domestic assessment at 55 cents/lb delivered was based on the August chemical-grade propylene contract price settlement at 31.5 cents/lb, which is the key variable in the formula-derived contract price, based on industry feedback.

Asia

- Shandong Ke Leur shuts ACN plant Sunday
- SPC shuts ACN plant Monday

Asian acrylonitrile prices remained under pressure, falling \$35/mt week on week across the board to \$1,110/mt CFR Far East Asia, \$1,085/mt CFR Southeast Asia and \$1,045/mt CFR South Asia. Demand remained poor amid volatile crude market and depressed economic conditions in China. The country's official Purchasing Managers' Index, or PMI, fell from July's reading of 50 to 49.7 in August, the lowest since 2012, signalling continued slowdown in the world's second largest economy. "People are afraid of buying. People are buying only what they need," a market participant said. Feedstock propylene prices also fell, down \$55/mt from the previous week to \$735/mt CFR China Tuesday. Domestic price in East China was down from last week's Yuan 8,300- Yuan 8,400/mt range to Yuan 8,000- Yuan 8,200/mt Tuesday. That is equivalent to \$1,041-\$1,067/mt or \$1,011-\$1,037/mt excluding \$30/mt tank storage fee. In plant news, China's Shandong Ke Luer Chem shut its 130,000 mt/year Dongying ACN plant in Shandong province on August 30, amid poor demand and high inventory at the plant, market sources said Tuesday. Shanghai Petrochemical also shut its 130,000 mt/year ACN plant on August 31 on low demand from downstream markets. The impact of the plant shutdowns was, however, expected to be limited as demand was very poor, one China-based market source said. According to sources, the downstream acrylonitrile butadiene styrene and acrylamide sectors were extremely weak and the acrylic fiber industry was also slowing down. Hitting demand further, the explosion last week at a downstream adiponitrile plant in Shandong province had made it difficult for other derivatives producers to operate because the government was carrying out safety checks in the area, said sources. Domestic prices in Shandong were heard at as low as Yuan 7,800/mt Tuesday, or \$1,015/mt on import parity basis.

Rationale

The CFR Far East Asia marker was assessed down \$35/mt on week at \$1,110/mt, below an offer heard at \$1,150/mt for September-delivery cargoes and above a buy indication at \$1,050/mt CFR China. Domestic East China price fell Yuan 250/mt on average to Yuan 8,100/mt Tuesday. The CFR South Asia marker was also down in line with the rest of the region, falling \$35/mt on week to be assessed at \$1,045/mt. There were no firm bids for September-delivery cargoes but there was a buying indication heard at \$960/mt for H2 October arrival, which was outside the Platts assessment window. No deals were heard concluded during the week.

ETHYLENE DICHLORIDE / VINYL CHLORIDE MONOMER

Europe

- EDC buying muted
- Upstream, downstream prices decline

The Northwest European ethylene dichloride and vinyl chloride monomer prices fell \$10 and \$17 to \$320/mt FOB NWE and \$620/mt FOB NWE, respectively. No fresh price indications were heard. A third of the cost saving in ethylene was passed through from producers to buyers. The September contract price of feedstock ethylene settled fully Wednesday at Eur945/mt (\$1,062/mt), down Eur90 month on month. The initial settlement followed falls in naphtha prices. Naphtha was at \$351.75/mt Tuesday, down from \$457.25/mt when the ethylene contract price last settled. Downstream, the polyvinyl chloride August contract price decreased Eur5 week on week and Eur40 on the month to Eur935/mt FD NWE, on lower demand. The PVC spot price decreased Eur20 on the week to Eur890/mt FD NWE. Sources say EDC buying has been heard muted recently. "We have no need for EDC," a buyer said Wednesday. Lower PVC prices may signal increased demand for EDC later. High PVC prices make exports of the polymer less competitive against volumes from other regions and this dampens buying interest in EDC.

Rationale

NWE EDC and VCM prices fell \$10 and \$17 to \$320/mt FOB NWE and \$620/mt FOB NWE, respectively. No fresh indications were heard. The monthly contract price of feedstock ethylene fell Eur90 to Eur945/mt FD NWE. A third of the cost saving in ethylene was passed through from producers to buyers. The spot price of derivative PVC fell Eur20 to Eur890/mt FD NWE, supporting a fall.

United States

- US ethylene recovers after outages
- Downstream PVC slide continues

EDC: US ethylene dichloride was steady for the week, assessed Thursday at \$220-\$230/mt FOB USG, on continued talks of weak demand in Asia, low feedstock costs and strong run-rates. August

offer ranges were at \$250 FOB USG, while buying interest was at \$180/mt FOB USG. Sources continued to peg trading levels at \$220-\$230/mt FOB USG. In feedstocks, spot ethylene recovered 2 cents/lb week on week, assessed Thursday at 26.5 cents/lb FD USG(\$584/mt) for August deliveries, on talks of a resumption of producer buying interest. In morning trade, August and September were as high as 27.75 and 28.25 cents/lb MtB Wms, respectively. Buying interest at those levels fizzled in the afternoon with the latest August and September deals at 26.5 cents/lb MtB Wms. One source said that the successful startup of DuPont's Orange, Texas, cracker help put the lid on the climb in pricing. Additionally, US Department of Transportation Pipeline and Hazardous Materials Safety Administration has approved full operating rates of Boardwalk Pipeline's Evangeline Ethylene Pipeline system, a company source said in e-mail to Platts. "Boardwalk expects to lift the current allocations on the pipeline going forward based upon on customer nominations," the source said. VCM: US vinyl chloride monomer was \$10/mt lower for the week, assessed Thursday at \$550-\$560/mt on continued talks of strong run-rates, declining downstream PVC and weak energy prices. Sources said recent VCM restarts by Axiall and OxyVinyls have added volume to the markets. Downstream, US export PVC prices were \$20/mt lower for the week following active trade, assessed Wednesday at \$695-\$705/mt FAS Houston, amid talk of declining overseas buying interest, lower producer offers, and ample production rates. Sources discussed mixed expectations for upcoming months. A number of sources said short selling has occurred near the \$650-\$680/mt FAS Houston level, but they expressed skepticism that US producers would move down to that level, as short-selling offers have dropped nearly \$100/mt thus far in the month.

Rationale

EDC: US ethylene dichloride was steady for the week at \$220-\$230/mt FOB USG on trade level discussions from \$220-\$230/mt FOB USG and September bid-offer ranges were at \$180-\$250/mt FOB USG. VCM: VCM was assessed at \$550-\$560/mt, down \$10/mt week on week, with pricing indications in the range of \$550-\$560/mt FOB USG.

Asia

- Weaker PVC puts downward pressure on VCM
- EDC falls on lower feedstock costs

Asian ethylene dichloride prices were \$25/mt lower this week in thin trade amid falling feedstock ethylene prices. The CFR Far East Asia EDC marker moved down \$25/mt week on week to be assessed at \$250/mt Thursday, while the CFR Southeast Asia marker was assessed at \$280/mt, in tandem with the Far East Asia market. Feedstock ethylene fell \$89/mt week on week to \$830/mt CFR Northeast Asia and \$806/mt CFR Southeast Asia, respectively, Thursday. Offers for H2 October-arrival EDC cargoes were heard at \$250-\$260/mt this week against buying ideas below \$220/mt CFR Far East Asia. Buyers in Far East Asia were not keen on October

cargoes despite lower offers due to weakness in downstream PVC markets, participants said. EDC prices were expected to continue tracking the downtrend in upstream ethylene prices and participants remained on the sidelines to observe the market further, sources said. Asian vinyl chloride monomer prices fell \$10-\$30/mt week on week amid bearish buying sentiment. The CFR Far East Asia marker was assessed at \$680/mt, down \$10/mt week on week, and the CFR Southeast Asia marker was assessed at \$690/mt, down \$30/mt over the same period. Discussion was thin amid ongoing negotiations for downstream PVC. A source said demand for VCM was stable but activity was thin as buyers were holding back in anticipation of further price reductions for downstream PVC. Asian PVC fell \$30-\$50/mt week on week to \$810/mt CFR India, \$800 CFR Southeast Asia and \$790/mt CFR China Wednesday.

Rationale

EDC: The markers were assessed down \$25/mt week on week at \$250/mt CFR Far East Asia and \$280/mt CFR Southeast Asia Thursday. The last trade heard for a CFR Far East Asia cargo for late September to early October arrival was at \$282/mt CFR. Offers for H2 October-arrival cargoes were heard this week at \$250-\$260/mt CFR Far East Asia, against buying ideas heard around \$200/mt CFR, with no trades confirmed. No trades were heard in Southeast Asia this week. VCM: The CFR Far East Asia marker was assessed down \$10/mt week on week at \$680/mt Thursday and the CFR Southeast Asia marker down \$30/mt at \$690/mt. In Far East Asia, a bid was heard at \$640/mt CFR against offers at \$685/mt for H2 September, with no deals confirmed. In Southeast Asia, buying intentions were heard at \$660/mt CFR against offers above \$690/mt CFR this week, with no deals confirmed.

NEWS

Czech Spolana PVC plant to limit Nov maintenance after outage: company

London — Polish polyvinyl chloride producer Anwil will curtail planned maintenance in November at its 120,000 mt/year Spolana plant in the Czech Republic because of a current unplanned outage at the plant. “The shutdown originally scheduled for November will be shortened as part of the work is being carried out now for maximum business efficiency,” a company spokesman said Wednesday. Anwil halted production of PVC at Spolana August 18 after a fire hit Unipetrol, Spolana’s exclusive supplier of ethylene, August 13. Production of caustic soda has been affected as well, the company confirmed. “The outage will last months, not weeks,” a trade source said Wednesday after Anwil confirmed the interruption to production. Czech petrochemical producer Unipetrol declared force majeure on supplies from its facility in Litvinov following the explosion and fire. The company halted production at its Chempark Zaluži steam cracker, propylene unit and two polyethylene units because of the incident. The cracker has a nameplate capacity of 544,000 mt/year of ethylene. Unipetrol said after the incident it was too early to estimate the duration of the shutdown and that the utilization rates on the site would remain reduced during the outage at the derivative units. The company said Thursday an investigation is ongoing. Unipetrol has rented additional storage capacity from the Administration of State Material Reserves in Nelahozeves, where the state keeps its emergency crude oil reserves, and can store up to 100,000 mt crude in the tanks, the Czech company said Tuesday. The rental agreement lasts until the end of October, and can be extended to the end of the year. Crude oil is feedstock for naphtha, a key feedstock in Europe for ethylene.

BP licenses PTA technology for Ompet’s new 1.1 mil mt/year plant in Oman

Singapore — BP and Oman International Petrochemical Industries Company, or Ompet, have entered into a purified terephthalic acid technology licensing agreement, as Ompet plans to build a 1.1 million

mt/year PTA plant at Sohar, BP said Monday. The front-end engineering design package for the license has been completed and delivered to Ompet on schedule, said Daniel Leonardi, Vice President, Technology and Licensing, BP Petrochemicals. BP will provide a wide range of technical and knowledge transfer services to the Ompet joint venture, he added. It is unclear when the PTA plant is likely to come on stream. Ompet was formed in the third quarter of 2013 as a joint venture comprising Oman Oil Company (50%), LG International Corp. (30%) and Takamol Investment Company (20%), which is 93.7% owned by Oman Oil Company. BP’s PTA technology through successive iterations has continued to improve in terms of its capital and operating costs. BP’s latest iteration of PTA technology is in use at the BP Zhuhai joint venture in China and has been licensed to JBF Industries in India, each with 1.25 million mt/year PTA capacity, the company said. In the Asian PTA market, prices have been weak in recent weeks amid the bearish performance in the PET and polyester sectors, as well as the crude oil market. Since July 3, PTA has fallen by \$155/mt or 21.8%, to be assessed at \$555/mt CFR China on Tuesday, Platts data showed.

August US ethylene contracts starting to settle 3.25 cent/lb lower: sources

Houston — US ethylene contacts for August are settling 3.25 cents lower, with the month’s net transaction price at 29.5 cents/lb, market sources said Tuesday. If the decrease is accepted market wide, it would set contract prices at their lowest level since the 29.5 cents/lb seen in May 2009, Platts data showed. The drop for August was within market expectations, given that strong run rates at most US Gulf Coast production facilities led to a substantial buildup of inventories and a subsequent mid-month drop in pricing to 22 cents/lb, which was a 71-month low. Front-month US spot ethylene assessments averaged 26.381 cents/lb in August, down 8.17 cents from July’s average of 34.551 cents/lb, according to Platts data. An August net transaction price settlement at 29.5 cents/lb would

mean the posted price for the month would decline to 34 cents/lb. US ethylene contracts are typically settled retroactively on a monthly basis and take into consideration spot ethylene and feedstock prices. Q2 US OUTPUT JUMPS Recent data showed US ethylene production totaled 14.441 billion lb in the second quarter of 2015, according to the American Fuel and Petrochemical Manufacturers. That was a hike of 695.6 million lb from first-quarter output of 13.745 billion lb and a 983.3 million lb increase from the 13.457 billion lb produced in Q2 2014, AFPM said Friday. The Q2 figure was the highest since production reached 14.831 billion lb in the fourth quarter of 2004. First-half 2015 US output rose to 28.186 billion lb, AFPM said, a 1.183 billion lb increase from the 27.003 billion lb produced in the first half of 2014. The strong Q2 run rates resulted in higher inventories quarter on quarter, at 923.2 million in Q2 compared with 744.6 million lb in Q1. Stocks were lower than Q2 2014's 1.107 billion lb, however.

India's Reliance cuts domestic PP offers Rupees 2,500/mt on weak demand

Singapore — India's Reliance Industries Limited Tuesday cut domestic polypropylene offers by Rupees 2,500/mt — its fourth price cut since August 1 — on continuing weak demand, a source close to the producer said. Its latest domestic PP raffia offer for October-loading cargoes is Rupees 77,730/mt ex-plant, equating to \$1,050/mt on an import parity basis, down Rupees 2,500/mt from its last offer issued last week. The cut came a day after an uptick in the PP market: Platts assessed PP raffia up \$20/mt Monday from last Friday at \$970/mt CFR China. "The current situation is not rosy; there is an element of doubt that the current rebound is sustainable," the source said. Reliance also extended a price protection scheme for domestic customers until September 30, under which it will refund the difference in purchase price if it lowers prices again before the next offer announcement scheduled for early October.

GLOBAL PRODUCTION UPDATE

Company	Location	Capacity* kt/yr	Timing	Status
Versalis	Ferrara	115 LDPE	end Sept.	TA - 1 month
HIPS	Serbia	57 LDPE	August 1	TA - 6 weeks
Sabic	Geleen	480 LDPE	July 24	SD!
Ineos	Grangemouth	330 LLDPE	Aug-Sep	TA 7 weeks
HIPS	Serbia	90 HDPE	August 19	TA - 1 month
Unipetrol	Litvinov	320 HDPE	mid-Aug	FM
Ineos	Sarrable, France	200 HDPE	August 5	FM declared
Ineos	Rosignano, Italy	200 HDPE	August 5	FM declared
Formosa	Point Comfort	264 LLDPE	August 10	FM!
Westlake	Longview, TX	494 LD/LL	August 10	PE 3 line maintenance
Petro Rabigh	Rabigh	600 LL/300H	Oct-Nov 2015	TA
Hanwha Chemical	Ulsan, Korea	120L	October	TA, 5-10 days
Hanwha Chemical	Yeosu, Korea	327L	October	TA, 5-10 days

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



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