

☆RIM PETROCHEMICALS INTELLIGENCE DAILY

★No.3277 Feb 24 2021

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## ◎Notice

### ○Report on adherence to PRA principles

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<Reports>

Bunker Oil, Crude/Condensate, Asia Products (Products), LPG, Lorry Rack, Japan Products, Petrochemicals, LNG, Power

<https://www.rim-intelligence.co.jp/contents/info/pramenuEng4/>

### ○Introduction of Rim Trading Board (RTB)

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<https://www.rim-intelligence.co.jp/rtb/oil/index.html>

## ◎RECX-22 index

RECX-22 index for Wednesday was 100.92, up 1.55 points from Feb 22

## -----Introduction of Rim reports-----

Please access the URL below for a lineup of Rim reports. You can view sample reports as well as detailed explanations on the contents:

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Lineup:

Bunker Oil	Crude/Condensate	Products	
LPG	Petrochemicals	Polyolefins	
LNG	Power	Daily Data	Rim Data File

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◎Aromatics (\$/MT)

○-Physical and Forward Prices					
	INDEX	H1 Mar	H2 Mar	H1 Apr	H2 Apr
○-Benzene					
FOB Korea	+ 844/ 845+	—	840/ 845	844/ 845	844/845
FOB East Japan	+ 837/ 840+	835/ 840	835/ 840	839/ 840	—
FOB West Japan	+ 842/ 845+	840/ 845	840/ 845	844/ 845	—
CFR Japan	+ 855/ 858+	853/ 858	853/ 858	857/ 858	—
China Domestic*	+6,400/6,450+				
China Domestic^	863^				
○-Styrene Monomer					
FOB Korea	-1,215/1,225-	1,215/1,225	1,215/1,225	1,215/1,225	—
CFR China	-1,245/1,255-	1,245/1,255	1,245/1,255	1,245/1,255	—
China Domestic*	+9,320/9,340-				
China Domestic^	1,253^				
○-Toluene					
FOB Korea	+ 734/ 736+	—	734/ 736	734/ 736	734/736
○-Iso MX					
FOB Korea	+ 744/ 746+	—	741/ 743	744/ 746	744/746
CFR Taiwan	+ 758/ 760+	—	755/ 757	758/ 760	758/760
○-PX					
FOB Korea	+ 842/ 843+	—	847/ 848	842/ 843	842/843
CFR N. E. Asia	+ 862/ 863+	—	867/ 868	862/ 863	862/863

\*Yuan/mt, ^\$/mt, calculated from China Domestic.

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◎Olefins (\$/MT)			
	CFR N. E. Asia	CFR S. E. Asia	FOB Korea
Ethylene	+ 1,040/1,060 +	+ 990/1,010 +	+ 1,040/1,060 +
Propylene	+ 1,100/1,150 +	+ 1,040/1,090 +	+ 1,070/1,120 +
Butadiene	+ 950/1,000 +	+ 900/ 950 +	+ 890/ 930 +

◎China Domestic (Yuan/MT)	
	East China
Propylene	+ 8,200/ 8,300 +
Propylene (Shandong)*	+ 8,450/ 8,550 +
Butadiene	+ 8,150/ 8,250 +
SBR	13,700/13,900
BR	12,500/12,600

\*Shandong prices refer to ex-tank assessments in the Shandong area.

◎Polymers (\$/MT)				
	CFR China	CFR S. E. Asia	China Domestic*	USD^
LDPE (Film)	1,390/1,410	1,420/1,440	11,500/11,700	1,492 -
LLDPE (Film)	1,030/1,050	1,080/1,100	8,800/ 8,900	1,138 -
HDPE (Film)	1,030/1,050	1,080/1,100	+ 8,600/ 8,650 +	1,109 +
HDPE (Yarn)	1,030/1,050	1,080/1,100	+ 8,400/ 8,500	1,087 +
PP (Homo) - BOPP	+ 1,210/1,230 +	+ 1,360/1,380 +	—	—
PP (Homo) - Yarn/INJ	+ 1,190/1,210 +	+ 1,340/1,360 +	+ 9,250/ 9,350 +	1,196 +
PP (Block Co) - INJ	+ 1,220/1,240 +	+ 1,370/1,390 +	—	—

\*Yuan/MT, ^USD calculated from China Domestic.



◎PVC and Feedstocks (\$/MT)		
	CFR China	
PVC	1,190/1,210	
Ethylene Dichloride	570/ 600	
Vinylchloride Monomer	1,010/1,040	

◎Intermediates(\$/MT)		
Phenol (CFR NEA)	850/ 900	
Bisphenol-A (CFR China)	1,700/1,750	
Acrylonitrile (CFR China)	1,750/1,800	
Caprolactam (CFR NEA)	1,340/1,360	

◎PET and Feedstocks (\$/MT)			
		China Domestic^	
PTA (EX-Bonded Warehouse)	+ 600/ 620 +	+ 4,550/4,600 +	
Monoethylene Glycol (CFR China)	- 775/ 790	- 5,960/5,970 -	
PET(Bottle, FOB NEA)	+ 950/1,000 +	—	

^Yuan/MT.

◎Weekly & Monthly Average**				
	15. Feb - 19. Feb	Jan Ave.	15. Feb - 19. Feb	Jan Ave.
<b>O-Benzene</b>				
FOB Korea	778/ 782	655/ 658		
FOB E-Japan	771/ 775	649/ 653		
FOB W-Japan	776/ 780	654/ 658		
CFR Japan	789/ 793	667/ 671		
China Domestic*	5,985/6,045	4,570/4,608		
<b>O-Styrene Monomer</b>				
FOB Korea	1,179/1,199	911/ 925		
CFR China	1,203/1,223	931/ 945		
China Domestic*	8,880/8,945	6,837/6,877		
<b>O-Toluene</b>				
FOB Korea	652/ 654	532/ 534		
<b>O-Iso MX</b>				
FOB Korea	678/ 680	577/ 579		
CFR Taiwan	692/ 694	600/ 602		
<b>O-PX</b>				
FOB Korea	757/ 759	667/ 669		
CFR N. E. Asia	777/ 779	687/ 689		
	CFR N. E. Asia		CFR S. E. Asia	
Ethylene	800/ 842	990/1,032	780/822	943/ 977
Propylene	984/1,006	965/1,005	924/946	905/ 945
Butadiene	810/ 860	819/ 865	760/810	769/ 815
	FOB Korea			
Ethylene	800/842	974/1,016		
Propylene	954/976	942/ 967		
Butadiene	760/810	772/ 815		

	China Domestic*	
Propylene	7,300/ 7,500	7,258/ 7,333
Propylene (Shandong)	7,300/ 7,350	7,197/ 7,274
Butadiene	7,000/ 7,200	6,317/ 6,494
SBR	12,700/12,900	11,939/12,117
BR	11,500/11,700	10,756/10,933
	CFR China	
	15. Feb – 19. Feb	Jan Ave.
LDPE (Film)	1,330/1,370	1,314/1,364
LLDPE (Film)	1,010/1,030	1,000/1,028
HDPE (Film)	990/1,010	982/ 996
HDPE (Yarn)	990/1,010	982/ 993
PP (Homo) – BOPP	1,080/1,100	1,089/1,109
PP (Homo) – Yarn/INJ	1,060/1,080	1,069/1,089
PP (Block Co) – INJ	1,090/1,110	1,099/1,119
	CFR S. E. Asia	
	15. Feb – 19. Feb	Jan Ave.
LDPE (Film)	1,380/1,420	1,378/1,428
LLDPE (Film)	1,050/1,070	1,050/1,073
HDPE (Film)	1,050/1,070	1,051/1,077
HDPE (Yarn)	1,050/1,070	1,051/1,077
PP (Homo) – BOPP	1,210/1,250	1,204/1,239
PP (Homo) – Yarn/INJ	1,190/1,230	1,184/1,219
PP (Block Co) – INJ	1,220/1,260	1,214/1,249
	China Domestic*	
LDPE (Film)	10,600/11,000	10,708/10,944
LLDPE (Film)	8,000/ 8,400	7,786/ 7,983
HDPE (Film)	8,100/ 8,500	7,650/ 7,756
HDPE (Yarn)	8,100/ 8,500	7,950/ 8,139
PP (Homo) – Yarn/INJ	8,600/ 8,700	8,083/ 8,183
	CFR China	
	15. Feb – 19. Feb	Jan Ave.
PVC	1,190/1,210	1,163/1,183
Ethylene Dichloride	570/ 600	560/ 570
Vinylchloride Monomer	1,018/1,048	1,080/1,100
	China Domestic*	
Phenol	850/ 900	633/ 683
Bisphenol-A	1,700/1,750	1,733/1,783
Acrylonitrile	1,750/1,800	1,480/1,520
Caprolactam	1,340/1,360	1,340/1,360
	CFR S. E. Asia	
	15. Feb – 19. Feb	Jan Ave.
PTA	558/ 578	507/ 527
Monoethylene Glycol	644/ 658	588/ 593
PET (Bottle, FOB NEA)	800/ 850	733/ 777

◎Contract Prices\*\*

	Dec	Jan	Feb
Bz ACP (CFR NEA, \$/mt)	575	635	660
Yen/mt conversion	64,900	71,100	74,400
Bz USCP (FOB USGC, cts/gal)	204	243	238
\$/mt conversion	610	727	712
PX ACP (CFR NEA, \$mt)	–	–	705

Bz ACP is released by JX. Bz USCP and PX ACP are agreed prices between makers and end-users.

◎Feedstocks\*\*

	Index		
Naphtha CFR Japan(\$/mt)	+ 586.75/591.75 +		
Yen/mt conversion	43,168 +		
Naphtha CFR Japan prices are from Products reports			
	Jul-Sep 20	Oct-Dec 20	Jan-Mar (Implied)
Naphtha Domestic CP(Yen/kl)	30,200	31,300	38,400



Calculated from statistics from Ministry of Finance of Japan.

Forecasts calculated based on Naphtha CFR Japan prices.

	Propane	Butane
RIM Asia Index (\$/MT)	591.25 -	566.25 -
China PDH Margin (\$/mt)	262 +	

RIM Asia Index are from LPG report.  
 PDH Margin calculated based on CFR China propane and CFR NEA propylene prices.

◎Reference Prices (\$/MT)\*\*

	Mar	Apr	May
Japan Mogas-Tocom(Yen/kl)	53,130 +	53,020 +	52,850 +
Yen/mt conversion	73,792 +	73,639 +	73,403 +
Japan Mogas-Tocom prices are settlement prices for each month from TOCOM.			
	East	West	
Japan Mogas-RIM(Yen/kl)	+ 55,500/56,000 +	+ 55,500/56,000 +	
Yen/mt conversion	77,431 +	77,431 +	
Japan Mogas-RIM prices are from Japan Products report.			
	WTI (Mar)	Brent (Mar)	Paper Dubai (Feb)
Tokyo Spot Crude(\$/bbl) / Feb24 16:00	60.92 +	65.11 +	62.47 +
\$/mt conversion	464 +	492 +	452 +
Tokyo Spot Crude WTI, Brent and Paper Dubai prices are from Crude/Condensate report.			
	Nymex WTI (Apr)	ICE Brent (Apr)	
Crude Futures Settlement(\$/bbl)/ Feb23	61.67 +	65.37 +	
\$/mt conversion	470 +	494 +	
Crude Futures settlement prices are settlement prices from Nymex and ICE.			
	Yen/\$, TTM	Yuan/\$	
Exchange rate	105.41 -	6.4615 +	

◎Spread/Aromatics (\$/MT)\*\*

	BZ	TL	MX	SM	PX	Nap
Benzene	—	110 -	100 -	-376 +	2 -	255 -
Toluene	-110 +	—	-10 +	-485 +	-108 -	146 +
ISO MX	-100 +	10 -	—	-475 +	-98 -	156 +
SM	376 -	485 -	475 -	—	378 -	631 -
P-Xylene	-2 +	108 +	98 +	-378 +	—	253 +
Naphtha	-255 +	-146 -	-156 -	-631 +	-253 -	—

Calculated from the price difference between each product and its feedstock.

◎Spread/Olefins (\$/MT)\*\*

	Ethylene	Propylene	Butadiene	Naphtha
Ethylene	—	-75 -	75 -	461 +
Propylene	75 +	—	150 +	536 +
Butadiene	-75 +	-150 -	—	386 +
Naphtha	-461 -	-536 -	-386 -	—

Calculated from the price difference between each product and CFR Japan Naphtha.

◎Spread/Polyolefins & Intermediate VS Feedstocks (\$/MT)\*\*

LDPE (Film)	329 -	PP/Homo (BOPP)	95 +	SM	229 -	EDC	281 -
LLDPE (Film)	43 -	PP/Homo (Yarn/INJ)	75 +	Phenol	-467 -	VCM	77
HDPE (Film)	-52 -	PP/Block Co (INJ)	49 +	PTA	32 -	PVC	165

	MEG	153 -	
Calculated from the price difference between each product and its feedstock.			

©Spread/Aromatics vs Naphtha & WTI & Gasoline**				
	Naphtha	Nymex WTI	Mogas-Tocom	JPN Mogas-RIM
BZ FOB Korea (\$/MT)	255 -	374 -	144	110 +
Yen/mt	26,906 -	39,464 -	15,227 +	11,588 +
TL FOB Korea (\$/MT)	146 +	265 +	35 +	+
Yen/mt	15,364 +	27,922 +	3,685 +	46 +
MX FOB Korea (\$/MT)	156 +	275 +	45 +	10 +
Yen/mt	16,418 +	28,976 +	4,739 +	1,100 +
Calculated from the price difference between each product and CFR Japan Naphtha, Nymex WTI, Mogas-tocom and Japan Mogas-RIM.				

\*\*These are reference prices and not price assessments.

## ©TRANSACTIONS

	PX	
Apr	CFR NEA	862
Apr	CFR NEA	863

## ©AROMATICS

### ○Benzene

Benzene prices on an FOB Korea basis increased by \$11/mt from Monday to \$840-845/mt for second-half March loading and by \$9/mt to \$844-845/mt for first-half and second-half April loading. China domestic prices moved up Yuan 95/mt to Yuan 6,400-6,450/mt. The market was boosted by recent strength in crude prices. On an

FOB Korea basis, bids and offers were at \$840-845/mt for second-half March loading and \$844-845/mt for April loading. On a CFR China basis, bids and offers were at \$865-880/mt for March and April delivery. In the China domestic market, bids and offers were at Yuan 6,400-6,450/mt.

### ○Styrene Monomer

Styrene monomer (SM) prices on an FOB Korea basis for first-half and second-half March and first-half April loading fell \$80/mt from Monday to \$1,215-1,225/mt. On a CFR China basis, prices for first-half and second-half March and first-half April delivery dropped \$80/mt to \$1,245-1,255/mt. As prices were perceived to be relatively high compared to the China domestic market, the market was seen to be overheated so far and underwent a

downward correction. LyondellBasell's SM facility in the Netherlands restarted on Feb 21 and on-spec products were already confirmed. Further, as China domestic prices relatively lower, buying interest for imported cargoes was lackluster. Under such circumstances, discussion levels for March delivery to China were heard at \$1,245-1,255/mt. In paper trade, an offer for March delivery to China was posted at \$1,305/mt. Kuwait Styrene Co (TKSC)'s

SM facility was halted due to troubles and force majeure was declared last week. Further, an SM facility in the Middle East would undergo maintenance soon. For these reasons, buying interest was seen from Pakistan and India the

previous day. China domestic prices climbed Yuan 5/mt from Monday to Yuan 9,320-9,340/mt, lifted by gains in SM futures for May onwards on the Dalian Commodity Exchange. Spot cargoes were discussed at Yuan 9,320-9,340/mt.

## OToluene

Toluene prices on an FOB Korea basis for second-half March and first-half and second-half April loading rose \$55/mt from Monday to \$734-736/mt as benchmark feedstock crude and

naphtha prices were strengthening. Possible deal levels for April loading were reported at around \$735/mt.

## OMixed Xylene

Isomer grade mixed xylene (MX) prices for second-half March increased \$36/mt from Monday to \$741-743/mt on an FOB Korea basis and \$755-757/mt on a CFR Taiwan basis. For first-half and second-half April, prices climbed \$36/mt to \$744-746/mt on an FOB Korea basis and

\$758-760/mt on a CFR Taiwan basis. The market was boosted by firmness in crude prices. Strength in the China domestic market was also cited as a bullish factor. On an FOB Korea basis, possible deal levels for April loading were reported at around \$745/mt.

## OParaxylene

Paraxylene (PX) prices for second-half March increased \$57/mt from Monday to \$867-868/mt on a CFR Northeast Asia basis and \$847-848/mt on an FOB Korea basis. For first-half and second-half April, prices rose \$57/mt to \$862-863/mt on a CFR Northeast Asia basis and \$842-843/mt on an FOB

Korea basis. The market was bolstered by recent strength in crude prices and a rise in PTA futures on the Zhengzhou Commodity Exchange. On a CFR Northeast Asia basis for April delivery, deals were done at \$862/mt and \$863/mt. On Tuesday, two deals for April delivery were done at \$841/mt.

## ©OLEFINS

### OEthylene

In ethylene markets in Asia on Wednesday, CFR Northeast Asia and FOB Korea prices increased \$50/mt from Monday to \$1,040-1,060/mt. CFR Southeast Asia prices rose \$50/mt to \$990-1,010/mt. The market was bolstered by tight supply/demand.

In the Northeast Asia market, fresh discussions at fixed prices were not heard. Market sources showed views that if end-users moved to buy at fixed prices, possible deal levels would be at around \$1,050/mt. Further, at prices linked to market quotations, possible deal levels were reported at a premium of \$30-40/mt to CFR Northeast Asia quotations. For non-regional cargoes, 3,000mt to be delivered in April was reportedly traded. Ethylene supply was limited both in the region and in the US. On the

other hand, profitability of derivatives was rising and buying interest was strengthening. As a result, supply/demand was perceived to be tight.

In the Southeast Asia market, Thailand's PTTGC closed a buy tender on Wednesday for 3,500-5,000mt to be delivered on Mar 3-5. Offers were valid until 19:00 local time and the results of the tender were unknown.

In Saudi Arabia, Petro Rabigh issued a sell tender on Monday for 9,500mt loading Feb 26-27. But an available vessel could not be secured for this timing and the company sold 6,500mt loading Feb 28-Mar 2 on Tuesday. The company apparently had room to sell and it might sell 6,000-6,500mt loading at the beginning of March by Thursday.



## ○Propylene

In propylene markets in Asia on Wednesday, CFR Northeast Asia prices increased \$90/mt from Monday to \$1,100-1,150/mt. CFR Southeast Asia and FOB Korea prices rose \$90/mt to \$1,040-1,090/mt and \$1,070-1,120/mt respectively. The market was boosted by a sharp rise in China domestic prices this week.

In the Northeast Asia market, discussions levels increased along with strength in China domestic prices this week. Buying ideas were heard at around \$1,100/mt while selling ideas were at \$1,150-1,200/mt. As reported, many propylene facilities in Asia would undergo maintenance from March onwards and supply was perceived to be tight. Further, as propylene prices in Europe and the US were strengthening, Asian cargoes were exported to outside the region. Under this situation, propylene prices were likely to remain bullish for a while.

On an FOB Korea basis, Hanwha Total postponed the startup of its new polypropylene (PP) facility

from Feb 24 to Mar 3. Along with this, propylene was in surplus and the company reportedly sold two cargoes loading at the end of February at a price linked to market quotations. Regarding facilities, a residual fluid catalytic cracker (RFCC) owned by S-Oil was reportedly shut down due to troubles. It was unclear when the facility would restart. For this reason, the company was reportedly procuring propylene to cover shortage via swap trade with neighboring petrochemical makers.

In the China domestic market, East China prices increased Yuan 500/mt from Monday to Yuan 8,200-8,300/mt and Shandong prices rose Yuan 150/mt to Yuan 8,450-8,550/mt. Prices for many derivatives were firm and PP futures increased sharply this week. These factors pushed up the market. But the spread between powder grade PP and propylene was shrinking and buying interest was decreasing. Under this situation, sources saw that propylene prices might be peaking out.

## ○Butadiene

In butadiene markets in Asia on Wednesday, CFR Northeast Asia prices rose \$60/mt from Monday to \$950-1,000/mt, bolstered by strong buying interest from Chinese end-users. CFR Southeast Asia and FOB Korea prices increased \$60/mt to \$900-950/mt and \$890-930/mt respectively, pulled up by gains in the CFR Northeast Asia market.

In Northeast Asia, Chinese end-users showed keen buying interest in view of firmness in the China domestic market. Although firm talks were not heard, possible deal levels were seen to be in the range of \$950-1,000/mt. A Taiwanese end-user

hoped to purchase at \$900/mt and below but no cargoes were available at this level. A trader said that since butadiene prices in the Europe market were at around \$700/mt, offers to Asia had to be at \$1,000/mt and above.

In the China domestic market, butadiene prices moved up Yuan 800/mt from Monday to Yuan 8,150-8,250/mt on the back of tight supply/demand. Sellers held a bullish view and were reluctant to conduct sales. On the other hand, small-scale end-users were actively buying to maintain production.

## ◎JAPAN MARKET

### ○Olefins

In Japan, a strong earth quake whose center was off the coast of Fukushima occurred on the night of Feb 13. Due to the impact of power failure after the earthquake, several refineries and petrochemical facilities were shut down. Among refineries, ENEOS's Sendai refinery was shut down after the

earthquake and had not restarted. On the other hand, Fuji Oil's Sodegaura refinery and Idemitsu Kosan's Chiba refinery restarted. Among naphtha crackers, Mitsui Chemicals' Ichihara plant restarted from Tuesday. Along with this, the company's derivative facilities would also start up going



forward. After these facilities restarted and operating rates increased, supply/demand balance

for ethylene and propylene would be examined.

2021 Olefin Production Unit Maintenance/Startup Schedule in Japan				
Producer	Capacity	Start	Finish/Duration	Status
MITSUI CHEMICAL	612	13-Feb	23-Feb	Restarted
AMEC	570	14-May	13-Jul	Planned
MITSUI CHEMICAL	612	14-Jun	4-Aug	Planned

Capacity as Ethylene '0000mt/year, PDH, RFCC and MTP as Propylene Source: Rim survey

CDU Maintenance Schedule In Japan					
Producer	Area	Capacity	Start	Finish/Duration	Status
ENEOS	Oita No. 3	136	12-May	2021 Summer	Incident
ENEOS	CHIBA	129	5-Feb	Mid Apr	Planned
ENEOS	SENDAI	145	13-Feb	NA	Emergency S/D

Capacity ('000BBL/Day) Source: Rim survey

## ©POLYMERS

In the CFR China polyolefin market on Wednesday, polypropylene (PP) Homo Yarn/Injection (Inj) prices rose \$130/mt from Monday to \$1,190-1,210/mt while BOPP and PP Block Co prices increased \$130/mt to \$1,210-1,230/mt and \$1,220-1,240/mt respectively, bolstered by recent gains in PP futures on the Dalian Commodity Exchange. Firm bids and offers were not heard but sources perceived that the CFR China market rose by the same amount as China domestic prices.

In the China domestic market, high density polyethylene (HDPE) Film and HDEP Yarn prices moved up Yuan 325/mt and Yuan 150/mt from Monday to Yuan 8,600-8,650/mt and Yuan 8,400-8,500/mt respectively, undergoing an upward correction as prices were seen to be relatively low

compared to other polyethylene products. PP Homo Yarn/Inj prices climbed Yuan 100/mt to Yuan 9,250-9,350/mt due to strength in futures prices on the Dalian Commodity Exchange.

On a CFR Southeast Asia basis, PP Homo Yarn/Inj prices strengthened \$140/mt from Monday to \$1,340 – 1,360/mt while BOPP and PP Block Co prices rose \$140/mt to \$1,360-1,380/mt and \$1,370-1,390/mt respectively, lifted by tight supply. For delivery to Vietnam, PP Homo Yarn/Inj from China (tax-free) was offered at \$1,400-1,420/mt. Vietnamese end-users, however, seemed to be procuring necessary cargoes from the domestic market. Under this situation, sources reckoned that buyers might hesitant to conclude a deal at above \$1,360/mt.

## ©PVC and RAW MATERIALS

Polyvinyl chloride (PVC) prices on a CFR China basis were unchanged at \$1,190-1,210/mt. The Asia PVC market was in a wait-and-see mood. Regarding supply, since areas including the state of Texas in the US were hit by a cold wave, several PVC facilities were shut down and PVC makers declared force majeure, as reported. Most petrochemical facilities including those that supply

feedstock were shut down in Texas. Under this situation, views were heard that PVC facilities might restart in the middle of March. As a result, supply in Asia was also expected to be limited for a while especially for delivery to India, an outlet of US cargoes. End-users were reportedly showing buying interest as they were wary of a rise in prices in the future. But Asian sellers had limited cargoes

and were not in a hurry to sell.

## ◎PET and RAW MATERIALS

### ○Purified Terephthalic Acid/ Monoethylene Glycol

Purified terephthalic acid (PTA) prices for cargoes ex-bonded warehouses in China climbed \$10/mt from Monday to \$600-620/mt while China domestic prices rose Yuan 360/mt to Yuan 4,550-4,600/mt, bolstered by firm crude prices and strong demand for derivative polyesters. Possible deal levels for cargoes from bonded warehouses were seen to be at \$600-620/mt. In the China domestic market, talks were conducted in the range of Yuan

4,550-4,600/mt.

Ethylene glycol (EG) prices on a CFR China basis slipped \$3/mt to \$775-790/mt while China domestic prices declined Yuan 45/mt to Yuan 5,960-5,970/mt. After the recent rise, selling interest increased and the market moved down. Spot cargoes were discussed at \$775-790/mt on a CFR China basis and Yuan 5,960-5,970/mt in the China domestic market.

### ○Polyethylene Terephthalate

Bottle-grade polyethylene terephthalate (PET) chip prices on an FOB Northeast Asia basis rose \$150/mt from Monday to \$950-1,000/mt. Recent sharp gains in feedstock PTA and EG prices sent the

market higher. Possible deal levels on an FOB Northeast Asia basis were seen to be in the range of \$950-1,000/mt.

## ◎OTHERS

### ○Naphtha

Open-spec naphtha prices in Asia were in the range of \$586.75-591.75/mt, up \$29.00/mt from Feb 22 as Brent crude prices rose remarkably.

In Brent crude oil futures trades on the Intercontinental Exchange (ICE) early in the evening in Asia, the Apr contract was at \$65.28/bbl, up \$1.82/bbl from Feb 22. Open-spec naphtha prices for H1 Apr arrival were at \$594.75-595.25/mt, up \$29.25/mt from Feb 22. Prices for H2 Apr and H1 May arrival were at \$591.25-591.75/mt and \$586.75-587.25/mt.

On a timing spread, a H1 Apr/H1 May spread was in backwardation of \$8.00/mt, spreading \$1/mt from Feb 22. An Apr Brent/H1 Apr naphtha spread was at \$105/mt in favor of naphtha, widening \$15/mt from Feb 22.

Early in the evening in Asia, Mar NWE naphtha prices were at \$571.00-573.00/mt, up \$21.75/mt from Feb 22. Prices for Apr and May were at \$557.50-559.50/mt and \$547.25-549.25/mt. A H1 Apr Asia/Mar NWE spread was at \$23/mt in favor of Asia, widening \$8 from Feb 22.

### ○Liquefied Petroleum Gas

The CFR Far East market dived on Wednesday due to weak buying interest and falling crude prices during Asian trading hours.

#### CFR Japan

Propane and butane prices for second-half March delivery dived by \$19/mt from Monday to \$595-605/mt and \$570-580/mt respectively. Relative to the March CP, propane and butane prices plunged by \$21/mt to a discount of \$14-24/mt.

Propane and butane prices for first-half April delivery extended losses by \$13/mt from Monday to \$571-581/mt and \$546-556/mt respectively. Relative to the April CP, propane and butane prices plummeted by \$15/mt to a discount of \$5/mt through a premium of \$5/mt.

Propane and butane prices for second-half April delivery plunged by \$15/mt from Monday to \$569-579/mt and \$544-554/mt respectively. Relative to the April CP, propane and butane prices dropped by \$17/mt to a discount of \$7/mt through a premium of \$3/mt.

## OUS Summary

WTI crude futures on the NYMEX inched lower on Tuesday. The front-month April contract was at \$61.67 per barrel (bbl), down 3cts from the previous day. The contract was \$1.59 higher than one week ago.

Selling emerged in the early trading hours. Amid sharp price rises in the previous day's session, profit-taking emerged. In addition, US equity prices fell sharply, which was also regarded as a bearish factor.

But the sharp price falls were avoided. It would take time to normalize the operations of oil production facilities in Texas, which had been shut down due to cold waves. There were increasing prospects over tightening supply/demand fundamentals in the short-term period, which supported the crude oil futures.

North Sea Brent crude futures on the ICE advanced. The April contract gained by 13cts from the previous day to \$65.37/bbl. The contract hit the highest level since Jan 7 2020. The contract was \$2.02 higher than one week ago.

In NYMEX products, heating oil and RBOB gasoline rose further. The March heating oil contract increased to 186.80cts/gallon, up 0.94 from the previous day. The March contract of RBOB gasoline gained to 185.86cts/gallon, up 1.69cts. TBOB gasoline extended rises for the three consecutive days.

The March natural gas contract on NYMEX closed at \$2.879 per million British thermal units (mmBtu) on Tuesday, down 7.4cts from the previous day with increased gas supply.

The April WTI contract was at \$61.37/bbl as of 17:00 Tokyo time on Wednesday, down 30cts/bbl from the closing price on Tuesday.

In the US benzene market on a Delivered Duty Paid (DDP) basis on Tuesday, bids and offers were heard at 290-294cts/gal for February, at 289-292.5cts/gal for March and at around 290.5cts/gal for April. In Europe on a CIF Amsterdam, Rotterdam, Antwerp (ARA) basis on the same day, bids were at \$940/mt and offers were at \$950/mt for March. For April, bids were at \$910/mt and offers were at \$940/mt.

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### ○Mitsui Chem restarts Ichihara ethylene plant on Tue after Feb 13 quake

Japan's Mitsui Chemicals announced on Wednesday that it restarted the ethylene plant at its Ichihara complex near Tokyo on Tuesday. The plant had been shut down since Feb 13 when the magnitude 7.3 earthquake hit the country and the wide scale power outage occurred. The company finished security check at the plant by Tuesday and started the restart operations. Restarts of other related units including derivatives were going smoothly and no glitches at any units were reported to date.

## ○Japan January petrochemical output: JPIA

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