

☆RIM POLYOLEFINS INTELLIGENCE DAILY

★No.2943 Sep 30 2019

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--TOKYO, 18:30 JST Sep 30 2019 <Assessment Closing Time>

◎Notice

○Renewal of Rim's Website

Rim Intelligence will renew our website on Oct 7, Mon. Before the renewal, we will transfer the server of our website on Oct 6, Sun. Although we do not change the URL(<https://eng.rim-intelligence.co.jp/index/top>) of the top page, some URLs for our reports or market news pages will be changed. Therefore, in case you have bookmarked some URLs in our website, please bookmark again after the website is renewed on Oct 7. Moreover, the URL of Rim Trading Board will be changed, but you can jump to the new page automatically when you access the current page. Please bookmark the new URL. If you have any questions, please feel free to contact us.

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◎RECX-22 index

RECX-22 index for Monday was 95.23, down 0.39 points from last Friday

----- 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:

<https://eng.rim-intelligence.co.jp/first/report>

Lineup:

Bunker Oil	Crude/Condensate	Products	
LPG	Petrochemicals	Polyolefins	
LNG	South Asia Gas (Weekly)	Daily Data	Rim Data File

For inquiries on the above, please contact:

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©Olefins (\$/MT)			
	CFR N. E. Asia	CFR S. E. Asia	FOB Korea
Ethylene	– 750/ 800 –	– 750/ 800 –	– 750/ 800 –
Propylene	930/ 950	850/ 870	890/ 910
Butadiene	1, 200/1, 250	1, 200/1, 250	1, 150/1, 200

©China Domestic (Yuan/MT)	
	East China
Propylene	– 7, 550/ 7, 650 –
Propylene (Shandong)*	– 7, 400/ 7, 450 –
Butadiene	– 11, 400/11, 600 –
SBR	– 11, 150/11, 250 –
BR	– 12, 450/12, 550 –

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

©Polymers (\$/MT)				
	CFR China	CFR S. E. Asia	China Domestic*	USD^
LDPE (Film)	920/ 950	900/ 920	8, 400/8, 500	993
LLDPE (Film)	850/ 870	850/ 900	7, 550/7, 650	893
HDPE (Film)	870/ 920	870/ 920	8, 550/8, 650	1, 010
HDPE (Yarn)	870/ 920	870/ 920	8, 550/8, 650	1, 010
PP (Homo) – BOPP	1, 010/1, 030	1, 050/1, 070	—	—
PP (Homo) – Yarn/INJ	1, 000/1, 020	1, 040/1, 060	8, 900/9, 000	1, 051
PP (Block Co) – INJ	1, 020/1, 040	1, 060/1, 080	—	—

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

©PVC and Feedstocks (\$/MT)	
	CFR China
PVC	860/870
Ethylene Dichloride	250/260
Vinylchloride Monomer	720/740

©Weekly & Monthly Average**				
	24. Sep – 27. Sep	Sep Ave.	24. Sep – 27. Sep	Sep Ave.
Ethylene	808/ 843	– 851/ 877 –	800/ 820	– 819/ 843 –
Propylene	933/ 955	– 928/ 951 –	853/ 875	– 848/ 871 –
Butadiene	1, 200/1, 250	+ 1, 242/1, 290 +	1, 200/1, 250	+ 1, 242/1, 290 +
FOB Korea				
Ethylene	808/ 843	– 851/ 877 –		
Propylene	893/ 915	– 888/ 911 –		
Butadiene	1, 150/1, 200	+ 1, 192/1, 240 +		
China Domestic*				
Propylene	7, 688/ 7, 788	+ 7, 594/ 7, 706 +		
Propylene (Shandong)	7, 788/ 7, 838	+ 7, 692/ 7, 772 +		
Butadiene	12, 600/12, 800	+ 11, 517/11, 656 +		
SBR	11, 450/11, 550	+ 10, 889/10, 994 +		
BR	12, 750/12, 850	+ 11, 772/11, 872 +		
CFR China				
	24. Sep – 27. Sep	Sep Ave.	CFR S. E. Asia	
	24. Sep – 27. Sep	Sep Ave.	24. Sep – 27. Sep	Sep Ave.
LDPE (Film)	920/ 950	– 892/ 935 –	900/ 920	– 906/ 933 –
LLDPE (Film)	850/ 870	– 810/ 838 –	850/ 900	– 848/ 878 –
HDPE (Film)	870/ 920	– 867/ 917 –	870/ 920	– 879/ 929 –

HDPE (Yarn)	870/ 920	- 867/ 917 -	870/ 920	- 879/ 929 -
PP (Homo) - BOPP	1,000/1,020	- 993/1,013 -	1,035/1,050	- 1,025/1,039 -
PP (Homo) - Yarn/INJ	990/1,010	- 983/1,003 -	1,025/1,040	- 1,015/1,029 -
PP (Block Co) - INJ	1,010/1,030	- 1,003/1,023 -	1,045/1,060	- 1,035/1,049 -
	China Domestic*			
LDPE (Film)	8,400/8,500	- 8,231/8,419 -		
LLDPE (Film)	7,550/7,650	- 7,325/7,400 -		
HDPE (Film)	8,550/8,650	- 8,392/8,492 -		
HDPE (Yarn)	8,550/8,650	- 8,397/8,497 -		
PP (Homo) - Yarn/INJ	8,900/9,000	+ 8,728/8,803 +		
	CFR China			
PVC	860/ 870	+ 872/ 882 +		
Ethylene Dichloride	250/ 260	- 253/ 275 -		
Vinylchloride Monomer	720/ 740	+ 720/ 740 +		

◎Spread/Olefins (\$/MT)**				
	Ethylene	Propylene	Butadiene	Naphtha
Ethylene	—	-165 -	-450 -	267 -
Propylene	165 +	—	-285	432 +
Butadiene	450 +	285	—	717 +
Naphtha	-267 +	-432 -	-717 -	—
Calculated from the price difference between each product and CFR Japan Naphtha.				

◎Spread/Polyolefins & Intermediate VS Feedstocks (\$/MT)**							
LDPE (Film)	145 +	PP/Homo (BOPP)	80	SM	205 +	EDC	30 +
LLDPE (Film)	124 +	PP/Homo (Yarn/INJ)	70	Phenol	-199	VCM	317
HDPE (Film)	89 +	PP/Block Co (INJ)	43	PTA	107 +	PVC	128
				MEG	141 +		
Calculated from the price difference between each product and its feedstock.							

**These are reference prices and not price assessments.

◎OLEFINS

○Ethylene

In ethylene markets in Asia on Monday, CFR Northeast Asia and FOB Korea prices decreased \$25/mt from last Friday to \$750-800/mt. CFR Southeast Asia prices fell \$35/mt to \$750-800/mt. The market was pushed down by slack supply/demand.

On a CFR Northeast Asia basis, deals were done at \$755/mt by last Friday and at \$750/mt at the beginning of this week. On the other hand, for November delivery, deals were concluded at \$800-810/mt. Considering deal prices for October and November, market sources pointed out that discussions for ethylene could be conducted in the

range of \$750-800/mt. In Northeast Asia, supply was increasing since new and expanded ethylene facilities started operations in China and Korea. In the meantime, the number of days that end-users could unload cargoes was limited in October due to National Day holidays in China. Under this situation, supply/demand was perceived to be slack. Petrochemical makers were still selling October loading cargoes and they were forced to sell at prices that end-users wanted to buy at. On the other hand, perceptions of slack supply/demand were seen to ease for November cargoes. Therefore, deals for November were done at prices higher than

October. Since end-users bought October delivery cargoes, their inventories at the end of October were expected to be high. Because of this, sources showed concerns that supply/demand might be slack for November cargoes as well.

On a CFR Southeast Asia basis, fresh bids and offers were not heard. An end-user pointed out that CFR Southeast Asia prices were equivalent to or lower than CFR Northeast Asia prices since supply/demand was also perceived to be slack in Southeast Asia. On an FOB Southeast Asia basis,

available cargoes were seen from Malaysia for 4,000mt loading on Oct 3-5 and 3,500-4,000mt loading on Oct 2-4. Among these, the cargo of 4,000mt would be reportedly shipped from Pengerang Refining and Petrochemical (PRefChem). Views were heard that this cargo was already resold to China. Sources pointed out that ethylene might be in surplus as PRefChem was only in the midst of starting up its derivative facilities and Petronas was conducting maintenance at its derivative facilities.

OPropylene

In propylene markets in Asia on Monday, CFR Northeast Asia stayed intact at \$930-950/mt. CFR Southeast Asia and FOB Korea prices were stable at \$850-870/mt and \$890-910/mt respectively.

In Northeast Asia, with the week just beginning, few bids and offers were heard and a wait-and-see mood was strong. A deal was reportedly done into China at \$960/mt but details were unknown. Apart from this, players were not actively trading ahead of the National Day holidays and prices remained at the same level as last Friday.

In the China domestic market, East China prices

slid Yuan 100/mt from last Friday to Yuan 7,550-7,650/mt while Shandong prices dropped Yuan 350/mt to Yuan 7,400-7,450/mt, weighed down by receding demand.

On an FOB Korea basis, firm discussions were not heard as availability was limited owing to maintenance.

In Southeast Asia, ethylene from Pengerang Refining and Petrochemical (PRefChem) in Malaysia was available as was mentioned in the ethylene section. Some sources reckoned that propylene might be available in the near future.

OButadiene

In butadiene markets in Asia on Monday, CFR Northeast Asia and CFR Southeast Asia prices held steady at \$1,200-1,250/mt. FOB Korea prices stayed intact at \$1,150-1,200/mt.

In Northeast Asia, players showed no hurry to engage in trade ahead of the National Day holidays in China and activity was subdued. Regarding European cargoes, one trader planned to discuss after the National Day holidays. Last week offers for European cargoes had been heard at \$1,200/mt.

In the China domestic market, East China prices plunged Yuan 1,200/mt from last Friday to Yuan

11,400-11,600/mt. As availability from the Northeast increased, perceptions of supply tightness eased. In addition, buying for stock building ahead of the National Day holidays was completed and demand receded. The synthetic rubber market fell in view of sluggish demand. Styrene butadiene rubber (SBR) prices slid Yuan 300/mt to Yuan 11,150-11,250/mt while butadiene rubber (BR) prices were down Yuan 300/mt to Yuan 12,450-12,550/mt.

On an FOB Korea and CFR Southeast Asia basis, no bids and offers were heard and talks were thin.

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The CFR China polyolefin market stayed intact on Monday. With China on National Day holidays from Oct 1, fresh talks were not heard.

On a CFR Southeast Asia basis, prices were stable.

As China, a major demand country in Asia, would be on holiday, end-users in Southeast Asia also retreated to the sidelines.

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Polyvinyl chloride (PVC) prices on a CFR China basis posted no change at \$860-870/mt on Monday. Talks on October cargoes were finished. With China on National Day holidays from Oct 1, fresh discussions were not heard.

For delivery to India, talks were thin. Some sources reckoned that demand for November cargoes might increase from October since the

monsoon season would end in October and the effect of a drop in demand during the Diwali festival at the end of October would wane. But with the yuan falling, some players pointed out that more Chinese cargoes might flow into India, making it difficult for sellers from other countries to raise their price when selling to India.

○Japan Domestic Naphtha Price

The Japan domestic price for naphtha for the quarter to September was forecast at Yen 40,200/kl, unchanged from the previous forecast. The price for the quarter to December was Yen 42,000/kl, down Yen 1,200/kl from the previous forecast since the Yen appreciated against the dollar in the foreign exchange market and CFR Japan spot naphtha prices decreased.

JAPAN DOMESTIC NAPHTHA PRICE DELIVERED BASIS				
	Estimated Import Price (JPY)	Year-on-Year Ethylene Price Change (JPY)	Duty-Paid Import Price (USD)	Yen Rate Estimation
Jul-Sep	40,200	-26.6	512.46	107.37
Oct-Dec	40,800	-26.8	518.24	107.82
	Duty-Paid Import Price (USD)	Yen Rate Estimation	Estimated Import Price (JPY)	Change on Week
Jul	524.14	108.00	39,214	0
Aug	514.71	107.20	38,265	-190
Sep	498.51	106.91	36,987	0
Jul-Sep	512.46	107.37	38,155	-63
Domestic price			40,200	0
Oct	499.89	107.79	37,394	-447
Nov	526.34	107.84	39,392	-1,400
Dec	528.50	107.84	39,553	-1,693
Oct-Dec	518.24	107.82	38,780	-1,180
Domestic price			40,800	-1,200
Unit of Measurement: kiloliter (kl) Domestic Price = Japanese Yen (JPY/kl) Change of ethylene price on year = JPY/kilogram (kg)				
Duty-paid import price = USD/mt, Yen rate estimation = JPY to USD				

Note:

- the Japan Ministry of Finance (MOF) publishes monthly average domestic naphtha delivered prices for the previous month at end of the current month.
- in its determination of the monthly domestic naphtha delivered price, MOF adds a JPY 2,000/kl surcharge to account for delivery costs to the monthly average.



- when available, the Rim Intelligence domestic naphtha delivered price for a quarter takes the average of the MOF monthly average and a running average of Rim Intelligence daily CFR Japan naphtha assessments plus the MOF JPY 2,000/kl surcharge.
- when not available, the Rim domestic naphtha delivered price for a quarter is the running average of Rim Intelligence daily CFR Japan naphtha assessments plus the MOF JPY 2,000/kl surcharge.

©Market News

○Japan August chemical industry statistics: METI

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<https://eng.rim-intelligence.co.jp/news/select/category/Statistics/article/160292>



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