

☆RIM POLYOLEFINS INTELLIGENCE DAILY

★No.3082 Apr 30 2020

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--TOKYO, 18:30 JST Apr 30 2020 <Assessment Closing Time>

◎Notice

○Report on adherence to PRA principles

Rim Intelligence uploaded the report of the governance, processes and controls relating to the adherence to the PRA principles based on reasonable assurance on Feb 27, 2020. All of the daily reports of Rim Intelligence are subject to the principles. Please visit the following website for perusal.

<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/>

○Golden Week Holiday Notice

Rim will not issue Polyolefins report on Apr 29 and May 4-6, 2020 for the Golden Week holidays in Japan. The publication will resume on May 7 onward after the holidays. To view the Rim Intelligence 2020 holiday schedule, please visit the URL below:

<https://eng.rim-intelligence.co.jp/contents/info/RimHolidayNotice2020EN.pdf>

◎RECX-22 index

RECX-22 index for Thursday was 42.49, down 2.39 points from Apr 28

----- 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	Daily Data	Rim Data File

For inquiries on the above, please contact:

Tel: +81-3-3552-2411

Email: info@rim-intelligence.co.jp



For the publication schedule during the Golden Week holidays in Japan, please refer to the Holiday Notice on the top page of this report.

©Olefins (\$/MT)			
	CFR N. E. Asia	CFR S. E. Asia	FOB Korea
Ethylene	+ 380/390 +	+ 380/390 +	+ 370/380 +
Propylene	+ 700/720 +	+ 650/660 +	+ 670/690 +
Butadiene	+ 345/355 +	+ 345/355 +	+ 315/325 +

©China Domestic (Yuan/MT)	
	East China
Propylene	5,600/5,800
Propylene (Shandong)*	+ 5,850/5,950 +
Butadiene	+ 4,100/4,300 +
SBR	7,800/7,900
BR	7,500/7,600

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

©Polymers (\$/MT)				
	CFR China	CFR S. E. Asia	China Domestic*	USD^
LDPE (Film)	780/830	780/830	7,500/7,800	898 -
LLDPE (Film)	670/690	670/720	6,300/6,400	746
HDPE (Film)	700/750	700/720	7,000/7,300	840
HDPE (Yarn)	700/750	700/720	7,100/7,400	851 -
PP (Homo) - BOPP	800/820	+ 770/790 +	—	—
PP (Homo) - Yarn/INJ	780/800	+ 750/770 +	7,000/7,300	840
PP (Block Co) - INJ	830/850	+ 800/820 +	—	—

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

©PVC and Feedstocks (\$/MT)	
	CFR China
PVC	640/660
Ethylene Dichloride	140/160
Vinylchloride Monomer	- 380/400 -

©Weekly & Monthly Average**				
	20. Apr - 24. Apr	Apr Ave.	20. Apr - 24. Apr	Apr Ave.
Ethylene	310/344	- 373/403 -	302/338	- 343/377 -
Propylene	634/666	- 617/647 -	584/606	- 569/589 -
Butadiene	350/370	- 385/409 -	350/370	- 385/409 -
FOB Korea				
Ethylene	300/334	- 363/393 -		
Propylene	604/636	- 587/617 -		
Butadiene	320/340	- 355/379 -		
China Domestic*				
Propylene	5,600/5,900	- 5,668/5,840 -		
Propylene (Shandong)	5,780/5,850	- 5,868/5,973 -		
Butadiene	3,540/3,680	- 3,625/3,795 -		
SBR	7,920/8,080	- 7,755/7,935 -		
BR	7,620/7,720	- 7,420/7,585 -		
CFR China				
	20. Apr - 24. Apr	Apr Ave.	CFR S. E. Asia	
			20. Apr - 24. Apr	Apr Ave.

LDPE (Film)	780/830	- 780/830 -	816/866	- 836/876 -
LLDPE (Film)	696/734	- 677/717 -	682/724	- 697/743 -
HDPE (Film)	722/772	- 694/741 -	700/730	- 710/751 -
HDPE (Yarn)	722/772	- 694/741 -	700/730	- 710/751 -
PP (Homo) - BOPP	786/806	- 759/780 -	780/800	- 772/792 -
PP (Homo) - Yarn/INJ	766/786	- 739/760 -	760/780	- 752/772 -
PP (Block Co) - INJ	816/836	- 789/810 -	810/830	- 802/822 -

	China Domestic*			
LDPE (Film)	7,500/7,800	- 7,290/7,530 -		
LLDPE (Film)	6,300/6,400	- 6,173/6,273 -		
HDPE (Film)	7,000/7,300	- 6,975/7,195 -		
HDPE (Yarn)	7,100/7,400	- 6,975/7,240 -		
PP (Homo) - Yarn/INJ	6,780/7,080	+ 7,080/7,268 +		

	CFR China			
PVC	648/ 660	- 714/ 726 -		
Ethylene Dichloride	140/ 160	- 159/ 179 -		
Vinylchloride Monomer	390/ 410	- 409/ 429 -		

©Spread/Olefins (\$/MT)**				
	Ethylene	Propylene	Butadiene	Naphtha
Ethylene	—	-325 +	35 +	177 -
Propylene	325 -	—	360 +	502 -
Butadiene	-35 -	-360 -	—	142 -
Naphtha	-177 +	-502 +	-142 +	—

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

©Spread/Polyolefins & Intermediate VS Feedstocks (\$/MT)**							
LDPE (Film)	412 -	PP/Homo (BOPP)	100 -	SM	208 -	EDC	38 -
LLDPE (Film)	314 -	PP/Homo (Yarn/INJ)	80 -	Phenol	246 -	VCM	147 -
HDPE (Film)	325 -	PP/Block Co (INJ)	95 -	PTA	65 -	PVC	256 +
				MEG	177 -		

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

**These are reference prices and not price assessments.

For the publication schedule during the Golden Week holidays in Japan, please refer to the Holiday Notice on the top page of this report.

©OLEFINS

○Ethylene

In ethylene markets in Asia on Thursday, CFR Northeast Asia and CFR Southeast Asia prices increased \$35/mt from Tuesday to \$380-390/mt. FOB Korea prices rose \$35/mt to \$370-380/mt. The market rose as perceptions of slack supply/demand receded.

On a CFR Northeast Asia basis, a market source

reported that a June delivery cargo was traded at \$380-390/mt but further details were not clear. The market source showed views that possible deal levels were at \$380-390/mt although selling ideas were reportedly seen at \$400/mt and above. On the other hand, another market source said that it was difficult to conduct firm discussions as makers had

not decided production of ethylene and its derivatives from June onwards and many Asian countries would be on holiday this week. However, views were heard that ethylene prices might increase going forward since perceptions of surplus supply that were observed in discussion on cargoes to be delivered until the middle of May receded and maintenance at naphtha crackers were taking place. Regarding facilities, maintenance started at BASF-YPC's facilities in its petrochemical complex including its naphtha cracker. The maintenance would take place for 50 days.

On a CFR Southeast Asia basis, bids and offers were not heard. End-users that had room to increase their ethylene stocks were reportedly interested in buying at the current market level. However, there were factors curbing demand including the COVID-19 outbreak and the start of Ramadan and buying interest was unlikely to strengthen. Market sources showed views that CFR Southeast Asia prices were at similar levels to CFR Northeast Asia prices since there were not many cargoes from the Middle East.

OPropylene

In propylene markets in Asia on Thursday, CFR Northeast Asia prices rose \$20/mt from Tuesday to \$700-720/mt. CFR Southeast Asia and FOB Korea prices increased \$20/mt to \$650-660/mt and \$670-690/mt respectively. The market was bolstered by the firm China domestic market.

On a CFR Northeast Asia basis, sellers were reportedly showing ideas at \$750/mt since the China domestic market was firm recently. But it was said to be difficult for deals to be done at this price. A trader said that the upper side of possible deal levels was at \$720/mt. Buying ideas were heard at \$700/mt and lower. In talks related to market quotations, selling ideas were seen at a premium of \$40/mt and above to CFR Northeast Asia quotations.

On an FOB Korea basis, a maker closed a sell

tender on Wednesday for 1,500mt loading on May 25-30. The tender was reportedly awarded at a discount of \$20-25/mt to CFR Northeast Asia quotations. Apart from this, firm discussions were not heard and the market increased along with the CFR Northeast Asia market.

On a CFR Southeast Asia basis, bids and offers were thin and the market was boosted by the rise in the CFR Northeast Asia market.

In the China domestic market, East China prices were stable at Yuan 5,600-5,800/mt. Shandong prices rose Yuan 50/mt from Tuesday to Yuan 5,850-5,950/mt. In Shandong, some propylene facilities were still not operating and supply was not ample. Under this situation, discussion levels in Shandong were at around Yuan 5,900/mt.

OButadiene

In butadiene markets in Asia on Thursday, CFR Northeast Asia and CFR Southeast Asia prices climbed \$5/mt from Tuesday to \$345-355/mt. FOB Korea prices gained \$5/mt to \$315-325/mt. FOB Korea prices stayed steady at \$340-350/mt. FOB Korea prices stayed intact at \$310-320/mt. The CFR Northeast Asia market was boosted by firmness in China domestic prices. This in turn pulled up the CFR Southeast Asia and FOB Korea markets.

In Northeast Asia, amid recent firmness in China domestic prices, sellers apparently tried to raise their offers to \$400/mt. But with many imported cargoes arriving from mid-May, end-users had

limited tank space and were not that keen to buy imported cargoes. An Indian cargo for June delivery was reportedly traded at \$350/mt. Sources mentioned that talks were at around \$350/mt with buying ideas at \$300-350/mt and selling ideas at \$350-400/mt.

On an FOB Korea basis, amid sluggish demand, some makers seemed to have room to sell butadiene but deals and firm talks were not heard at present and prices tracked movements in the CFR Northeast Asia market.

On a CFR Southeast Asia basis, a cargo loading early May within the region was apparently traded

at \$390/mt but sources reckoned that this was a special deal with some reasons behind it. As the automobile industry remained sluggish due to the COVID-19 outbreak, demand for synthetic rubber and butadiene was poor. Under this situation, discussion levels were seen to be the same as those in the CFR Northeast Asia market.

In the China domestic market, East China prices strengthened Yuan 400/mt to Yuan 4,100-4,300/mt.

As mentioned above, imported cargoes were only arriving from mid-May and some domestic butadiene facilities were scheduled to enter maintenance in May. As a result, perceptions of ample supply might ease. On the other hand, derivative synthetic rubber makers were seeing good profitability. This prompted Sinopec to raise ex-works prices to Yuan 4,500/mt. This in turn caused spot prices to rise to Yuan 4,100-4,300/mt.

©Tender

Olefin Tenders					
Company	Buy/Sell	Quantity	Timing	Close	Price
	Cargo	Basis	Result	Validity	
Korean Supplier	Sell	1,500	25-30 May	29-Apr	CFR NEA -20~-25
	Propylene	FOB	Awarded		
PTTGC	Buy	3,500-5,000	16-18 May	29-Apr	
	Ethylene	CFR		30-Apr	
PTTGC	Sell	1,600-2,350	15-17 May	24-Apr	
	Propylene	FOB	Awarded		
PTTGC	Buy	3,500-5,000	5-9 May	23-Apr	
	Ethylene	CFR	Awarded		
Quantity mt, Source: Rim survey					

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The CFR China polyolefin market held steady on Thursday. With a long holiday starting May 1, the market showed no movements. High density polyethylene (HDPE) Film from Indonesia was reportedly traded at \$700/mt.

On a CFR Southeast Asia basis, polypropylene (PP) Homo Yarn/Injection (Inj) prices gained \$10/mt from Tuesday to \$750-770/mt while BOPP and PP Block Co prices increased \$10/mt to \$770-790/mt and \$800-820/mt respectively. Sellers adopted a bullish stance due to firm crude prices

but as demand was lackluster, buyers did not bid up. For delivery to Vietnam, linear low density polyethylene (LLDPE) Film from the Middle East was offered at \$730/mt while HDPE Film from the US was offered at \$740/mt. Further, PP Homo Yarn/Inj from India was offered at \$800-810/mt but buyers bid for taxable cargoes at \$750/mt. For delivery to Indonesia, activity was subdued. Owing to Ramadan, the fasting month in the Islamic calendar and concerns about the COVID-19 outbreak, the market was quiet.

©PVC and RAW MATERIALS

Vinylchloride monomer (VCM) prices on a CFR China basis fell \$10/mt from Tuesday to

\$380-400/mt on Thursday owing to low demand for derivative polyvinyl chloride (PVC). In PVC



consuming countries including India, measures to prevent the spread of COVID-19 were taking place and demand for PVC and feedstock VCM was weak in the world. Even if the measures like lockdown were lifted, it was unclear whether demand would recover soon. In talks on May VCM cargoes, a deal

was reported at \$350-400/mt. After this deal was done, selling pressure receded and no VCM makers in a rush to sell were seen. Under this situation, if discussions were conducted at present, no sellers would be willing to sell at \$400/mt and below, said market sources.

©Market News

OJapan March chemical industry statistics: METI

To view content, please click on link below.

<https://eng.rim-intelligence.co.jp/news/statistics/1540076.html>



Editorial and Subscription Inquiry:

[Tokyo office] Tel:(81) 3-3552-2411, Fax:(81)3-3552-2415,

e-mail:info@rim-intelligence.co.jp

[Singapore office]

Tel:(65)-6345-9894, Fax (65)-6345-9894,

e-mail:hagimoto@rim-intelligence.co.jp

[Beijing office] Tel:(86)10-6498-0455, Fax:(86)10-6428-1725,

e-mail: ma@rim-intelligence.co.jp huo@rim-intelligence.co.jp

[Shanghai office]

Tel:(86)-21-5111-3575,

e-mail:rim_sh@rim-intelligence.co.jp

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