



Polyolefins

☆RIM POLYOLEFINS INTELLIGENCE DAILY

★No.3163 Aug 31 2020

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--TOKYO, 18:30 JST Aug 31 2020 <Assessment Closing Time>

◎RECX-22 index

RECX-22 index for Monday was 67.32, down 0.65 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	Daily Data	Rim Data File

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©Olefins (\$/MT)			
	CFR N. E. Asia	CFR S. E. Asia	FOB Korea
Ethylene	690/730	680/720	690/730
Propylene	840/860	770/790	800/820
Butadiene	640/650	640/650	590/600

©China Domestic (Yuan/MT)	
	East China
Propylene	6,700/6,750
Propylene (Shandong)*	- 6,850/6,950
Butadiene	- 4,800/5,000 -
SBR	8,250/8,350
BR	8,150/8,250

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

©Polymers (\$/MT)				
	CFR China	CFR S. E. Asia	China Domestic*	USD^
LDPE (Film)	+ 1,020/1,050 +	980/1,000	9,300/9,400	1,132 +
LLDPE (Film)	840/ 850	850/ 870	7,300/7,350	887 +
HDPE (Film)	900/ 930	880/ 920	7,900/8,100	969 +
HDPE (Yarn)	900/ 930	880/ 920	8,000/8,400	993 +
PP (Homo) - BOPP	920/ 940	910/ 930	—	—
PP (Homo) - Yarn/INJ	900/ 920	890/ 910	7,850/7,900	954 +
PP (Block Co) - INJ	930/ 950	920/ 940	—	—

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

©PVC and Feedstocks (\$/MT)	
	CFR China
PVC	820/840
Ethylene Dichloride	300/310
Vinylchloride Monomer	660/670

©Weekly & Monthly Average**				
	24. Aug - 28. Aug	Aug Ave.	24. Aug - 28. Aug	Aug Ave.
Ethylene	692/728	- 730/760 -	680/720	- 693/724 -
Propylene	846/864	+ 837/853 +	776/794	+ 767/784 +
Butadiene	616/650	+ 579/621 +	616/650	+ 579/621 +
FOB Korea				
Ethylene	692/728	- 726/755 -		
Propylene	806/824	+ 792/806 +		
Butadiene	566/600	+ 539/581 +		
China Domestic*				
Propylene	6,640/6,720	- 6,640/6,718 -		
Propylene (Shandong)	6,930/6,950	+ 6,873/6,938 +		
Butadiene	5,180/5,320	+ 4,985/5,130 +		
SBR	8,160/8,260	+ 8,063/8,163 +		
BR	8,120/8,220	+ 8,048/8,148 +		
CFR China				
	24. Aug - 28. Aug	Aug Ave.		
LDPE (Film)	980/1,000	+ 966/989 +	980/1,000	+ 941/981 +
LLDPE (Film)	828/ 850	- 817/848 +	838/ 858	- 839/859 -
HDPE (Film)	888/ 930	+ 887/934 +	874/ 920	+ 872/920 +
CFR S. E. Asia				
	24. Aug - 28. Aug	Aug Ave.		
LDPE (Film)	980/1,000	+ 966/989 +	980/1,000	+ 941/981 +
LLDPE (Film)	828/ 850	- 817/848 +	838/ 858	- 839/859 -
HDPE (Film)	888/ 930	+ 887/934 +	874/ 920	+ 872/920 +



HDPE (Yarn)	888/ 930	+ 887/934 +	874/ 920	+ 872/920 +
PP (Homo) – BOPP	920/ 940	+ 920/940 +	910/ 930	- 919/939 -
PP (Homo) – Yarn/INJ	900/ 920	+ 900/920 +	890/ 910	- 899/919 -
PP (Block Co) – INJ	930/ 950	930/950	920/ 940	- 929/949 -
China Domestic*				
LDPE (Film)	9,180/9,280	+ 8,915/9,030 +		
LLDPE (Film)	7,140/7,210	+ 7,045/7,130 +		
HDPE (Film)	7,940/8,140	+ 8,005/8,180 +		
HDPE (Yarn)	8,040/8,360	+ 8,025/8,265 +		
PP (Homo) – Yarn/INJ	7,770/7,820	+ 7,698/7,768 -		
CFR China				
PVC	820/ 840	+ 813/ 833 +		
Ethylene Dichloride	282/ 292	+ 275/ 285 +		
Vinylchloride Monomer	660/ 670	+ 657/ 669 +		

◎Spread/Olefins (\$/MT)**				
	Ethylene	Propylene	Butadiene	Naphtha
Ethylene	—	-140	65	296 -
Propylene	140	—	205	436 -
Butadiene	-65	-205	—	231 -
Naphtha	-296 +	-436 +	-231 +	—

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

◎Spread/Polyolefins & Intermediate VS Feedstocks (\$/MT)**							
LDPE (Film)	311 +	PP/Homo (BOPP)	80	SM	67 +	EDC	99
LLDPE (Film)	171	PP/Homo (Yarn/INJ)	60	Phenol	-187 +	VCM	171
HDPE (Film)	177	PP/Block Co (INJ)	48	PTA	77 -	PVC	158
				MEG	47 +		

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 were unchanged at \$690-730/mt. CFR Southeast Asia prices were stable at \$680-720/mt.

On a CFR Northeast Asia basis, discussions were muted since it was the beginning of the week. In addition, as vessel schedules were affected by a typhoon, it was difficult to conduct fresh discussions. As reported, talks for September were finished and China, a major consuming country, would be on National Day holiday on Oct 1-8. Therefore, Chinese end-users were not in a hurry to buy and this was also a reason why discussions

were inactive.

In talks for non-regional cargoes, a European maker chartered an ethylene vessel via a short period time charter contract to ship a cargo loading in the first half of September for delivery to Asia. The cargo to be loaded was reportedly already traded. Views were heard that the maker was also able to sell cargoes loading at the end of September but it had not started discussions as of now. On the other hand, in the US, a hurricane hit the state of Louisiana but the impact in the state of Texas, where terminals for shipping ethylene are located, was reportedly minimal. As US ethylene prices were



firm, the arbitrage to Asia was perceived to be closed. Players focused on how US cargoes would

be sold going forward.

○Propylene

In propylene markets in Asia on Monday, CFR Northeast Asia prices were unchanged at \$840-860/mt. CFR Southeast Asia and FOB Korea prices held steady at \$770-790/mt and \$800-820/mt respectively.

In the Northeast Asia market, talks would be shifted to October delivery going forward. Both sellers and buyers were not in a hurry for trade and a wait-and-see mood was strong. As supply in the China domestic market was becoming plentiful, reluctance in selling was said to be receding. But as supply was currently tight, no sellers were willing to decrease ideas to sell.

On an FOB Korea basis and on a CFR Southeast Asia basis, bids and offers were not heard and trade was thin.

In the Middle East, a sell tender closed by Petro Rabigh on Sunday for a cargo loading Sep 15-16 was reportedly awarded at \$760-770/mt on an FOB basis. Views were heard that the cargo might be supplied to Vietnam.

In the China domestic market, Shandong prices fell Yuan 40/mt from last Friday to Yuan 6,850-6,950/mt since demand for derivatives except for polypropylene was low.

○Butadiene

In butadiene markets in Asia on Monday, CFR Northeast Asia and CFR Southeast Asia prices were stable at \$640-650/mt. FOB Korea prices showed no change at \$590-600/mt.

In Northeast Asia, firm discussions were not heard and activity was thin. Owing to facility maintenance and troubles, supply of Asian cargoes was perceived to be tight. In addition, availability of non-regional cargoes was declining and sellers maintained a firm stance. On the other hand, Chinese buyers focused on procuring domestic cargoes but end-users in Korea and Taiwan still had room to buy. Under such circumstances, the market

was supported.

On an FOB basis, makers adopted a bullish position in view of tight supply of Asian cargoes. Some sellers apparently hoped to sell at close to \$700/mt. But buyers at this level were not observed.

In the China domestic market, East China prices slid Yuan 250/mt from last Friday to Yuan 4,800-5,000/mt owing to ample supply. In order to prevent imported cargoes from undergoing polymerization due to high temperatures in summer, some traders apparently sold at a relatively low price of Yuan 4,800/mt. Discussions were mostly conducted at Yuan 4,800-5,000/mt.

◎POLYMERS

In the CFR China polyolefin market on Monday, low density polyethylene (LDPE) Film prices rose \$45/mt from last Friday to \$1,020-1,050/mt. As it was still difficult to import Iranian cargoes, supply of LDPE Film was tight. Under such circumstances, possible deal levels for Middle East cargoes were seen to be in the range of \$1,020-1,050/mt.

On a CFR Southeast Asia basis, prices were unchanged. Amid strong sentiment in the CFR China market, some sources reckoned that many sellers would focus on sales to China and might not be keen to sell to Southeast Asia. In Southeast Asia, economic activities were sluggish and polyolefin demand was not seen to be strong.

◎PVC and RAW MATERIALS

Polyvinyl chloride (PVC) prices on a CFR China basis on Monday were unchanged at \$820-840/mt.

Discussions were still not observed.

For delivery to India, a Japanese maker was

considering to move to sell soon. The maker was expected to offer at a price slightly higher than \$1,000/mt. For Japanese cargoes, deals had been previously done at \$1,000/mt, as reported. As supply for imported cargoes was thin and some

end-users were still showing buying interest, supply/demand was tight. Under this situation, sellers were expecting that prices might rise going forward.

Japan Domestic Naphtha Price

The Japan domestic price for naphtha for the quarter July to September was forecast at Yen 30,200/kl, down Yen 200/kl from the previous forecast. In the trade statistics published by the Ministry of Finance last week, import price for July was lower than Rim's expectations. The price for the quarter October to December was forecast at Yen 32,800/kl, up Yen 600/kl from the previous forecast. CFR Japan spot naphtha prices increased.

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	30,200	10.4	382.91	106.27
Oct-Dec	32,800	5.2	421.09	105.36
	Duty-Paid Import Price (USD)	Yen Rate Estimation	Estimated Import Price (JPY)	Change on Week
Jul	338.73	107.28	25,031	-693
Aug	398.51	105.96	29,304	0
Sep	411.49	105.57	30,148	98
Jul-Sep	382.91	106.27	28,161	-198
Domestic price			30,200	-200
Oct	419.78	105.36	30,695	519
Nov	421.75	105.36	30,838	679
Dec	421.75	105.36	30,838	679
Oct-Dec	421.09	105.36	30,790	626
Domestic price			32,800	600
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.



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