

☆RIM POLYOLEFINS INTELLIGENCE DAILY

★No.3277 Feb 24 2021

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--TOKYO, 18:30 JST Feb 24 2021 <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 outlined by International Organization of Securities Commissions(IOSCO) based on reasonable assurance on Dec 24, 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/>

○Introduction of Rim Trading Board (RTB)

Rim Intelligence Co is operating "Rim Trading Board (RTB)", in which market players are able submit offers/bids/deal prices by themselves to Rim Intelligence. RTB is managed on Rim's website. Rim considers the information on RTB when we make assessments of each oil product in our Rim Products Report. The information on RTB is open to all market participants for free. Please go to the link below to see how to use and register to RTB.

<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:

<https://eng.rim-intelligence.co.jp/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	+ 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

©Weekly & Monthly Average**				
	15. Feb – 19. Feb	Jan Ave.	15. Feb – 19. Feb	Jan Ave.
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.	CFR S. E. Asia	Jan Ave.
LDPE (Film)	1,330/1,370	1,314/1,364	1,380/1,420	1,378/1,428
LLDPE (Film)	1,010/1,030	1,000/1,028	1,050/1,070	1,050/1,073
HDPE (Film)	990/1,010	982/ 996	1,050/1,070	1,051/1,077

HDPE (Yarn)	990/1, 010	982/ 993	1, 050/1, 070	1, 051/1, 077
PP (Homo) – BOPP	1, 080/1, 100	1, 089/1, 109	1, 210/1, 250	1, 204/1, 239
PP (Homo) – Yarn/INJ	1, 060/1, 080	1, 069/1, 089	1, 190/1, 230	1, 184/1, 219
PP (Block Co) – INJ	1, 090/1, 110	1, 099/1, 119	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			
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		

©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.							

**These are reference prices and not price assessments.

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○Ethylene

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

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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 HDPE 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.

©Market News

○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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<https://eng.rim-intelligence.co.jp/news/statistics/1677558.html>



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