

RIM PETROCHEMICALS INTELLIGENCE DAILY

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©Notice of Rim Data File Renewal

We at Rim Intelligence will revamp the Rim Data File from June. Besides the existing crude and petroleum products data, we plan to make the data file more comprehensive by adding LPG, LNG and petrochemical data as well. We will also include tables and graphs for easy reference. We believe that with more items added, the revamped Data File will find a wider scope of use. For inquiries, please contact the Rim Data File team.

Notice of Publication of Polyolefin Report

The petrochemical team at Rim Intelligence issues a new polyolefin report focusing on olefins and polyolefins beginning from May. Through our information network developed in publishing the petrochemicals report, which covers a wide range of petroleum and petrochemical products from crude and naphtha to aromatics and synthetic fiber feedstocks, we aim to provide services with more specific contents. The subscription fee is US\$2,400 a year. For a trial subscription, inquiries or comments, please free feel to contact us.

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[RIM Reports] *Please click on the following links to see samples of each type of report. **Samples are not today's issue:**

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Aromatics (\$/MT)

Physical and Forward prices

	INDEX	H2Jul	H1Aug	H2Aug	H1Sep
Benzene					
FOB Korea	+1,195/1,200+		1,195/1,200	1,195/1,200	1,195/1,200
FOB E-Japan	+1,195/1,200+	1,190/1,195	1,195/1,200	1,195/1,200	
FOB W-Japan	+1,195/1,200+	1,190/1,195	1,195/1,200	1,195/1,200	
CFR Japan	+1,215/1,220+	1,210/1,215	1,215/1,220	1,215/1,220	
Toluene					
FOB Korea	-1,060/1,065-		1,060/1,065	1,060/1,065	1,060/1,065
Iso MX					
FOB Korea	-1,203/1,213-		1,200/1,210	1,200/1,210	1,205/1,215
CFR Taiwan	-1,218/1,228-		1,215/1,225	1,215/1,225	1,220/1,230
Styrene					
FOB Korea	+1,700/1,710+	1,725/1,735	1,700/1,710	1,700/1,710	
CFR China	+1,740/1,750+	1,760/1,770	1,740/1,750	1,740/1,750	
PX					
FOB Korea	1,410/1,420	1,410/1,420	1,410/1,420	1,410/1,420	
CFR N.E.Asia	1,430/1,440	1,430/1,440	1,430/1,440	1,430/1,440	

Olefins (\$/MT)

	CFR N.E. ASIA	CFR S.E. ASIA	FOB Korea
Ethylene	1,250/1,270	1,300/1,320	1,220/1,230
Propylene	1,400/1,420	1,280/1,300	1,340/1,360
Butadiene	- 950/1,000 -	- 900/950 -	- 980/1,020 -

Polymers (\$/MT)

	CFR CHINA	CFR S.E. ASIA
LDPE (Film)	1,440/1,460	1,450/1,480
LLDPE (Film)	1,400/1,410	1,420/1,440
HDPE (Film)	1,420/1,440	1,450/1,470
HDPE (Yarn)	1,450/1,470	1,470/1,490
PP (Homo) -BOPP	1,430/1,450	1,480/1,490
PP (Homo) -Yarn/INJ	1,400/1,420	1,450/1,470
PP (Block Co) -INJ	1,430/1,450	1,480/1,490
PVC (CMP)	1,030/1,040	

FOB N.E.Asia

PET (Bottle)	+ 1,375/1,385 +
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Intermediates (\$/MT)

	CFR CHINA
Phenol	1,360/1,380
Bisphenol-A	1,650/1,720
Ethylene Glycol	+ 985/990 +
Ethylenedichloride	330/340
Vinylchloride monomer	820/830
Acrylonitrile	1,680/1,720
PTA	1,055/1,060
Caprolactam	2,320/2,350

China Domestic (Yuan/MT)

	East China
Propylene	9,900/10,000
Propylene -Shandong	10,200/10,300



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PP(Homo)-Yarn/Inj	10,400/10,600
Butadiene	- 7,600/8,300 -
SBR	-10,300/10,700-
BR	-10,300/10,800-
SM	+12,800/12,850+
EPS	13,300/13,400
LDPE	11,500/11,700
LLDPE	10,600/10,700
HDPE-Film	11,000/11,100
HDPE-Yarn	11,300/11,500
MEG	7,150/7,200
PTA	- 7,650/7,700 -

Weekly & Monthly Average

	01.Jul- 05.Jul	Jun Ave.
Benzene		
FOB Korea	- 1,190/1,195 -	1,257/1,266
FOB E-Japan	- 1,189/1,194 -	1,256/1,265
FOB W-Japan	- 1,189/1,194 -	1,258/1,267
CFR Japan	- 1,209/1,214 -	1,275/1,284
Toluene		
FOB Korea	+ 1,056/1,063 +	1,088/1,097
Iso MX		
FOB Korea	+ 1,212/1,221 +	1,192/1,201
CFR Taiwan	+ 1,227/1,236 +	1,207/1,216
Styrene		
FOB Korea	+ 1,690/1,700 +	1,672/1,680
CFR China	+ 1,722/1,732 +	1,700/1,708
PX		
FOB Korea	+ 1,414/1,424 +	1,412/1,421
CFR N.E.Asia	+ 1,434/1,444 +	1,432/1,441

CFR N.E ASIA

CFR S.E ASIA

	01.Jul- 05.Jul	Jun Ave.	01.Jul- 05.Jul	Jun Ave.
Ethylene	+ 1,250/1,270 +	1,206/1,228	+ 1,300/1,320 +	1,266/1,294
Propylene	+ 1,410/1,424	1,379/1,393	1,280/1,300	1,285/1,313
Butadiene	- 1,048/1,092 -	1,289/1,324	- 998/1,042 -	1,239/1,274

FOB Korea

Ethylene	+ 1,220/1,230 +	1,168/1,184
Propylene	+ 1,346/1,360 +	1,311/1,323
Butadiene	- 1,102/1,148 -	1,307/1,341

CFR CHINA

CFR S.E ASIA

LDPE(Film)	1,436/1,456 -	1,428/1,450	- 1,450/1,474 -	1,446/1,466
LLDPE(Film)	- 1,396/1,410 -	1,396/1,415	1,420/1,440	1,415/1,436
HDPE(Film)	- 1,420/1,440 -	1,427/1,446	1,450/1,470	1,445/1,464
HDPE(Yarn)	- 1,450/1,470 -	1,464/1,484	- 1,470/1,490 -	1,475/1,495
PP(Homo)-BOPP	+ 1,430/1,450 +	1,421/1,432	+ 1,480/1,490 +	1,454/1,465
PP(Homo)-Yarn/INJ	- 1,400/1,420 -	1,410/1,426	- 1,450/1,470 -	1,443/1,464
PP(Block Co)-INJ	- 1,430/1,450 -	1,430/1,451	1,480/1,490	1,458/1,475
PVC(CMP)	1,030/1,040	1,014/1,024		
PET(Bottle FOB NEA)	- 1,363/1,373 -	1,376/1,389		

	01.Jul- 05.Jul	Jun Ave.
Phenol	- 1,360/1,380 -	1,370/1,409
Bisphenol-A	1,650/1,720	1,664/1,726



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Ethylene Glycol	+	967/973	+	945/953
Ethylenedichloride	+	330/340	+	322/332
Vinylchloride monomer		820/830		819/830
Acrylonitrile		1,680/1,720		1,680/1,720
PTA	+	1,055/1,060	+	1,054/1,059
Caprolactam		2,320/2,350		2,318/2,350

		01.Jul- 05.Jul		Jun Ave.
East China				
Propylene	+	9,900/10,000+		9,700/9,822
Propylene -Shandong	+	10,320/10,420+		9,961/10,072
PP(Homo)-Yarn/INJ		10,400/10,600		10,456/10,600
Butadiene	-	8,500/8,820 -		9,650/9,950
SBR	-	11,020/11,200-		12,367/12,761
BR	-	11,040/11,240-		12,364/12,775
SM	+	12,730/12,780+		12,694/12,756
EPS	-	13,340/13,440-		13,383/13,483
LDPE	+	11,460/11,660+		11,300/11,500
LLDPE	-	10,560/10,700-		10,667/10,822
HDPE-Film		10,960/11,100		10,956/11,144
HDPE-Yarn	-	11,260/11,460-		11,283/11,517
MEG	+	7,100/7,150 +		7,010/7,066
PTA	+	7,660/7,710 +		7,699/7,754

Contract Prices

		May		Jun		Jul
Bz ACP(CFR NEA,\$/mt)		1,320		1,305		1,215
Yen/mt conversion		134,400		138,100		125,300
Bz USCP(FOB USGC,cts/gal)		447		442		407
\$/mt conversion		1,337		1,322		1,217
PX ACP(CFR NEA,\$/mt)		-		1,400		1,410

Feedstocks

		Index
Naphtha CFR Japan(\$/mt)	+	884.00 / 887.25 +
Yen/kl conversion		61,773+

		Oct-Dec 12		Jan-Mar 13		Apr-Jun 13 (implied)
Naphtha Domestic CP(Yen/kl)		55,800		63,800		65,000

		H1Jul		H2Jul		H1Aug
Butane(CFR Japan,\$/mt)		845 / 850		845 / 850		845 / 850

Reference Prices (\$/MT)

		Aug		Sep		Oct
Japan Mogas-Tocom(Yen/kl)		76,480+		75,790+		75,130+
Yen/mt conversion		106,222+		105,264+		104,347+

		East		West
Japan Mogas-RIM(Yen/kl)		76,200 / 76,400 -	+	76,900 / 77,200 -
Yen/mt conversion		105,972-		107,014-

		WTI (Aug)		Brent (Aug)		Paper Dubai (Jul)
Tokyo Spot Crude(\$/bbl)/Jul05 16:00		101.07-		105.50-		101.72-
\$/mt conversion		770-		798		737-

		Nymex WTI (Aug)		ICE Brent (Jul)
Crude Futures settlement(\$/bbl)/ Jul04		-		105.54-
\$/mt conversion		772		798-

TTM

Interbank



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Forex (\$/Yen) 100.36+ 99.94+

Spread/aromatics (\$/MT)

	BZ	TL	MX	SM	PX	Nap
Benzene	—	135+	-10+	-508-	-218+	312-
Toluene	-135-	—	-145+	-643-	-353-	177-
ISO MX	10-	145-	—	-498-	-208-	322-
SM	508+	643+	498+	—	290+	819+
P-Xylene	218-	353+	208+	-290-	—	529-
Naphtha	-312+	-177+	-322+	-819-	-529+	—

Spread/olefins (\$/MT)

	Ethylene	Propylene	Butadiene	Naphtha
Ethylene	—	-150	285+	374-
Propylene	150	—	435+	524-
Butadiene	-285-	-435-	—	89-
Naphtha	-374+	-524+	-89+	—

Spread/Polyolefin & Intermediate VS Feedstocks (\$/MT)

LDPE (Film)	165	PP/Homo (BOPP)	30	SM	369+	EDC	-30
LLDPE (Film)	208	PP/Homo (Yarn/INJ)	0	Phenol	-444-	VCM	282
HDPE (Film)	120	PP/Block Co (INJ)	-41	PTA	96	PVC	202
				MEG	232+		

Spread/Aromatics vs Naphtha & WTI & Gasoline

	Naphtha	Nymex WTI	Mogas-tocom	JPN Mogas-RIM
BZ FOB Korea (\$/MT)	312-	426+	139+	136+
Yen/mt	31,300+	42,728+	13,959+	13,688+
TL FOB Korea (\$/MT)	177-	291-	4-	1
Yen/mt	17,751-	29,179-	410-	139+
MX FOB Korea (\$/MT)	322-	436-	149-	149-
Yen/mt	32,303-	43,732-	14,962-	14,962-

Transactions Report (Jul 1 - 5)

date	Period	Basis	Price
Benzene			
05-Jul	Sep	FOB KOREA	1,195
04-Jul	Sep	FOB KOREA	1,185
04-Jul	Aug	FOB KOREA	1,185
03-Jul	Aug/1H	FOB KOREA	1,183
02-Jul	Sep	FOB KOREA	1,197
02-Jul	Sep	FOB KOREA	1,196
02-Jul	Sep	FOB KOREA	1,192
02-Jul	Sep	FOB KOREA	1,190
01-Jul	Aug	FOB KOREA	1,198
01-Jul	Sep	FOB KOREA	1,205
01-Jul	Sep	FOB KOREA	1,200
01-Jul	Spe	FOB KOREA	1,200
Toluene			
05-Jul	Sep	FOB KOREA	1,056
04-Jul	Sep	CFR CHINA	1,055
04-Jul	Sep	CFR CHINA	1,060
04-Jul	Sep	CFR CHINA	1,061
04-Jul	Sep	CFR CHINA	1,062
04-Jul	Sep	CFR CHINA	1,062
04-Jul	Sep	CFR CHINA	1,065

date	Period	Basis	Price
Styrene Monomer			
05-Jul	Jul	CFR CHINA	1,765
05-Jul	Aug	CFR CHINA	1,732
05-Jul	Aug	CFR CHINA	1,740
05-Jul	Sep	CFR CHINA	1,713
05-Jul	Sep	CFR CHINA	1,715
04-Jul	Jul	CFR CHINA	1,750
04-Jul	Aug	CFR CHINA	1,728
04-Jul	Aug	CFR CHINA	1,720
04-Jul	Aug	CFR CHINA	1,730
04-Jul	Sep	CFR CHINA	1,700
04-Jul	Sep	CFR CHINA	1,707
03-Jul	Jul	CFR CHINA	1,745
03-Jul	Sep	CFR CHINA	1,700
02-Jul	Aug	CFR CHINA	1,720
01-Jul	Aug	CFR CHINA	1,725
01-Jul	Jul	CFR CHINA	1,760
01-Jul		Bonded	1,770
PX			
03-Jul	Aug	CFR NEA	1,445
03-Jul	Aug	CFR NEA	1,443

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02-Jul	Jul/2H	CFR CHINA	1,080
Propylene			
02-Jul	Jul/2H	CFR CHINA	1,417
Butadiene			
05-Jul	Jul	CFR CHINA	960

02-Jul	Aug	CFR NEA	1,440
01-Jul	Aug	CFR NEA	1,440
01-Jul	Aug	CFR NEA	1,440
01-Jul	Aug	CFR NEA	1,440

Aromatics

FOB Korea benzene prices for August loading gained \$10/mt from the previous day to \$1,195 - 1,200/mt while prices for September loading increased by \$5/mt to \$1,195 - 1,200/mt. The modest increase on the day was attributed to rises in crude oil markets and increases in SM prices, bullish factors that offset downward pressure from declines in demand. On an FOB Korea basis for September, a deal was concluded at \$1,195/mt while a time swap was conducted where August was released and September was purchased at the same price. At present, the US market is not a viable destination for Asia exports, though that is likely to change in the future.

FOB Korea toluene prices for both August and September loading slipped \$5/mt from the previous day to \$1,060 - 1,065/mt. Prices expanded losses at one time reflecting movements in crude prices, but rebounded afterwards. September loading was done at \$1,056/mt on a FOB Korea basis. After the deal, September loading was bid at \$1,058/mt and offered at \$1,065/mt.

Taiwanese CPC issued sell tender for a 6,000mt cargo of toluene and a 9,000mt cargo of MX for late August loading. The tender was due to be closed next Tuesday with validity till next Wednesday.

Isomer grade mixed xylenes (MX) prices for August cargoes for both FOB Korea and CFR Taiwan dropped \$10/mt from the previous day to \$1,200 - 1,210/mt and \$1,215 - 1,225/mt, respectively. Trading was lackluster and in a bearish mood, in line with a decline in crude price and China's PTA futures. For FOB Korea, offers for August loading were revised down from \$1,213/mt to \$1,210/mt. For solvent grade, a Korean manufacturer was said to have sold a 2,000mt cargo for August loading at \$1,090/mt on a FOB basis via tender. A market source, however, saw the level expensive.

Styrene monomer prices on an FOB Korea basis for loading during the second half of July were in the range of \$1,725-1,735/mt and for August at \$1,700-1,710/mt, both up by \$15/mt from the previous day. On a CFR China basis, prices for second-half July arrival were in the range of \$1,760-1,770/mt, up \$15/mt from the previous day while prices for August moved up \$20/mt to \$1,740-1,750/mt. In the Chinese domestic market, prices were also up on the day rising by Yuan 50/mt to settle in the range of Yuan 12,800-12,850/mt. Price increases in all markets were attributed to price increases in crude oil markets coupled with uncertainties over a successful restart next week of Lotte Chemicals SM unit and flurry of short-covering in the market. On a CFR China basis, Jul arrival was done at \$1,765/mt, August at \$1,732/mt and \$1,740/mt and September at \$1,713/mt and \$1,715/mt.

Paraxylene (PX) prices for August cargoes for both CFR Northeast Asia and FOB Korea held steady from the previous day at \$1,430 - 1,440/mt and \$1,410 - 1,420/mt, respectively. A wait-and-see mood became stronger since market players wanted to gauge the outlook. Under the circumstances, August delivery for CFR Northeast Asia was offered at \$1,440



- 1,445/mt, but no buyers merged.

Olefins

Asian ethylene prices for both CFR Northeast Asia and CFR Southeast Asia were unchanged at \$1,250 - 1,270/mt and \$1,300 - 1,320/mt, respectively. Prices for FOB Korea held steady at \$1,220 - 1,230/mt.

In the Northeast Asia market, activity was limited as most market players tried to gauge the impact of the startup of a new naphtha cracker at CPC in Taiwan that is expected to take place next week or so. Faced with weak demand from derivative makers in China, producers were looking into the possibility of production cuts as buying interest remained poor. Although only slightly, consumers who had not purchased recently appeared to be in the market to cover spot requirements for July, but sellers seemed to be hard-pressed to meet any requirements. In the Japan market several producers were expected to increase operating rates at naphtha crackers. But with two crackers in the midst of turnarounds, output was not expected to be that much more than was seen in June. A restart of a VCM unit at the Tosoh's Nanyo facility in Japan was expected to bolster ethylene demand and thereby limit availability for export from Japan in August. In the Southeast Asia market, discussions focused on the August arrival, but both buyers and sellers did not appear to be in a rush.

Asian propylene prices for CFR Northeast Asia dropped \$5/mt from the previous day to \$1,400 - 1,420/mt on receding buying interest from China, while prices for CFR Southeast Asia were stable at \$1,280 - 1,300/mt. Prices for FOB Korea lost \$5/mt to \$1,340 - 1,360/mt on bearish sentiment in prices for CFR Northeast Asia.

In the Northeast Asian market, prices had been bullish, in line with tight supply. Prices for derivatives, however, were bearish which resulted in a narrower price gap between propylene and derivatives and prompted many derivative manufacturers to cut production.

In the Chinese domestic market, prices faced a downward correction of Yuan 2,500/mt to Yuan 10,200 - 10,300/mt in Shandong as propylene prices had been higher than PP prices that hovered at Yuan 10,400 - 10,500/mt.

For FOB Korea, traders revised down their buying ideas to \$1,340/mt on a FOB basis owing to a decline in prices for CFR China.

In the Southeast Asian market, a wait-and-see mood was strong with no bids and offers heard.

Asian butadiene prices on a CFR Northeast Asia basis were quoted in the range of \$950-1,000/mt, while prices on a CFR Southeast Asia basis stood in the range of \$900-950/mt, both down \$100/mt from Thursday. On an FOB Korea basis prices also plunged by \$100/mt to the range of \$980-1,020/mt.

In the Northeast Asia market prices felt the full force of excess availability and plunged Friday. One buyer in the China market pointed out that deals for Southeast Asia material on CFR Northeast Asia basis were being done at \$960/mt. Other buyers also said material on a fixed price basis at levels above \$1,000/mt were not even being considered. One Southeast Asia producer that traditionally offers in tenders turned away from tenders and was said to be going one-on-one with traders for spot transactions. In addition, material from India, the Middle East, and South America was also being offered with no signs of the inflow of material abating. In addition, material tied to contracts with European producers will be arriving in late July creating a log-jam of availability in



a market where buying is amiss.

Meanwhile, in the Chinese domestic market Sinopec cut its ex-works prices by Yuan 500/mt to Yuan 8,300/mt, but with the spot market as quiet as it has been and availability on the rise, prices appear to be headed to the mid Yuan 7,000/mt level, market sources said.

Polymers

Polyolefin market for CFR China lacked momentum ahead of the weekend due to a continued wide price gap between buyers and sellers. Inventories of both end-users and sellers were perceived to not be so high, which prompted them to stick to their ideas.

In the Chinese domestic market, Sinopec revised up its prices for PP Homo Inj on ex-work basis in East China by Yuan 100/mt to Yuan 10,500/mt. Although prices for PP Homo Inj had been on a weak tone amid surplus supply previously, prices have rebounded slightly on higher propylene prices and production cuts of manufacturers due to low PP prices.

In the Southeast Asian market, fresh talks were amiss amid slowing trade in China. As reported the previous day, manufacturers raised their offers on the back of higher olefin prices and the recent hike in crude prices, but buyers did not follow.

Vinyl chloride monomer prices on a CFR China basis were in the range of \$820-830/mt, unchanged from the previous day. Discussions were underway for July material, but as the gap between buying and selling ideas remained wide business was at a standstill. In the downstream PVC market in China demand remained weak and VCM buyers were increasingly cautious and expressed buying ideas below \$820/mt, in line with prices seen in June. But given that July PVC goods were being sold at prices higher than in June, VCM producers and sellers were not keen to sell the mid \$800s/mt level. In addition, with price in crude oil and naphtha hovering at high levels, VCM producers pointed out that costs will be on the rise thereby making it even more difficult to lower prices.

Ethylene dichloride price on a CFR China basis were in the range of \$330-340/mt, unchanged from the previous day while firm discussion for deals were hard to find amid a mix of market information on direction of future prices. The startup of a new facility in the Middle East appears to have been postponed until after August. Market expectation was that a timely startup of the plant would have eased tightness in availability. On the other hand, the absence of the expected inflow from the Middle East might open the door for material to flow to Asia from the US market which would also ease the sense off tight supply and result in lower prices. The US material (EDC), however, may not come at a lower price as ethylene prices in the US are higher (either side of 60cts/lb) due to tight availability created by a prolonged shutdown of the Williams olefin plant that has been idle since mid-June due to a fire.

Intermediates

Pure terephthalic acid (PTA) prices on a CFR China basis were unchanged from a day earlier in the range of \$1,055/mt to \$1,060/mt, while PTA prices in the Chinese domestic market shed Yuan 50/mt to Yuan 7,650/mt to Yuan 7,700/mt.

Offers for CFR China were heard at \$1,062/mt in the early hours. Nonetheless, buyers receded after PTA futures prices moved weaker, while offers were also revised down to \$1,060/mt. Discussion levels were heard in the range of \$1,055/mt to \$1,060/mt. It was believed that a Korean bonded cargo was concluded in the range of \$1,060/mt to \$1,065/mt.

Regarding facility-related matters, China-based Sanfangxiang group was believed to have restarted operations early this week at its PTA facility which was halted in June



to conduct planned maintenance and added a debottlenecking process unit. The group seemed to have given up a debottlenecking process unit in order to avoid low profitability and to secure constant product quality. Thus, the facility's production capacity was unchanged at 1.2 million mt/year. Additionally, the group appeared to have brought forward its resumption schedule for the PTA facility from the end of July since it did not conduct debottlenecking on the unit. Formosa Chemicals and Fibre Corp (FCFC) lowered operation rates at the end of June at its plant in Ningbo due to glitches, and the plant might be stopped in the near future, a player noted.

Ethylene glycol (EG) prices on a CFR China basis rose \$10/mt from the previous day to the range of \$985/mt to \$990/mt, while EG prices in the Chinese domestic market were stable in the range of Yuan 7,150/mt to Yuan 7,200/mt.

Rises in the crude oil and naphtha markets were still considered as bullish factors by market players. Furthermore, some participants viewed that inventories were decreasing, and expected that mono ethylene glycol (MEG) producers recently moved to push the market up. These factors also contributed to a rise in EG prices. The highest deal for CFR China was heard concluded at \$990/mt, and discussion levels were in the range of \$985/mt to \$990/mt. A bonded cargo was traded at \$995/mt, according to a player. On the other hand, EG prices for July cargoes in the Chinese domestic market moved in the same levels as the previous day. Deals for August and September, however, were concluded at Yuan 7,200/mt because buying interest in August and September cargoes was boosted on the above bullish factors as well as expectations that demand in the downstream market would pick up going forward.

FOB Northeast Asia bottle grade polyethylene terephthalate (PET) chip prices gained \$15/mt from Thursday to the range of \$1,375/mt to \$1,385/mt, on the heels of feedstock prices which were on a firm tone this week.

Naphtha

Asia open-spec naphtha prices extended gains by \$8/mt from a day before to \$884.00-887.25/mt on strong crude oil prices and active purchasing by major Asian petrochemical companies in the spot market. Major Asian petrochemical companies bought 450,000mt of naphtha in the spot market over the past two weeks. A Singapore trader pointed out that South Korean and Taiwanese petrochemical companies were buying increased volumes of naphtha for Aug arrival since they could not buy Liquefied Petroleum Gas (LPG) as scheduled. Naphtha sentiment was also supported by an expectation that naphtha cracker operation rates will increase in the near future due to an economic recovery.

The benchmark Sep contract in the Inter-continental Exchange (ICE), the North Sea Brent crude oil prices extended gains by 42cts/bbl from a day before to \$105.18/bbl. Open-spec naphtha prices for H2 Aug arrival were at \$889.75-890.25/mt, H1 Sep arrival at \$886.75-887.25/mt and H2 Sep arrival at \$884.0-884.5/mt. In outright trade in the open-spec naphtha forward market, Mabanaft sold a cargo for H1 Sep arrival to Socar at \$887/mt.

On the timing spread, the H2 Aug/H2 Sep spread was in backwardation of \$5.75/mt, widening by 75cts/mt. The H2 Aug/H2 Sep inter-month spread was traded at \$5.5/mt. The same timing was bid at \$5.5/mt after the deal-done. The Sep Brent/H1 Sep naphtha spread was at \$98/mt in favor of naphtha, widening by \$5/mt.

**LPG**

The CFR Far East market stayed intact on Friday. Although potential demand for August delivery was expected, buyers showed no hurry to engage in firm talks since supply was not considered tight.

CFR Japan propane and butane prices for second-half July through August delivery posted no change at \$850-855/mt and \$845-850/mt respectively. Activity on CFR Japan was focused on August delivery. In the market, a number of sellers were apparently holding spot cargoes for August delivery. Both 22,000mt propane and 50:50 cargoes were available. For 22,000mt propane, some Japanese importers were contemplating spot purchase. Buying ideas were reported at a premium in the low-mid \$60's/mt to the August CP. With the freight market showing further signs of weakening, freight costs were moving down. Some importers therefore hoped that sellers would relent and lower their premium level to the August CP. These importers were not inclined to raise their bids at the moment. Sellers, on the other hand, maintained their offers at a premium in the mid \$70's/mt to the August CP. As neither buyers nor sellers were willing to give way to another, talks were stymied. For 22,000mt 50:50 cargoes, several sellers had room for spot sale. One trader offered a 22,000mt 50:50 cargo for first-half August delivery at a premium in the high \$70's/mt to the August CP. Apart from this, selling ideas for 22,000mt 50:50 cargoes for August delivery were heard at a premium in the mid \$70's/mt to the August CP. As for demand, two buyers were seeking 22,000mt 50:50 cargoes for first-half August delivery. Statoil bid at \$840/mt while El bid at \$835/mt. Regarding pure butane, El bid for a 22,000mt butane cargo for first-half August delivery at a discount of \$40/mt to August naphtha quotes.

US summary

The NYMEX crude oil futures market was closed on Thursday for the Independent Day holiday. Trade will resume on Friday.

On the ICE futures, the August Brent contract was down 22cts/bbl at \$105.54/bbl. Amid this trade due to the US holiday, the market succumbed to profit-taking. A wait and see mood prevailed ahead of an announcement of US jobs data to be released on Friday. On the other hand, natural gas market closed for Independence Day.

The August WTI contract was traded at \$100.98/bbl as of 17:00 Tokyo time on Thursday, down 26cts/bbl from the previous day.

USGC aromatics market was closed on a holiday of the celebration for the Independence Day in US. Trading on Friday was expected to be thin since many participants also took a holiday on that day. In the European benzene market for CIF ARA (Amsterdam, Rotterdam, Antwerp) on Thursday, prices hovered in the high \$1,250's/mt for July delivery and the low \$1,250's/mt for August delivery.

Market News**○Singapore crude throughput flat on week, as of Jul 5**

Combined crude oil throughput in Singapore was at 1,318,150b/d as of Jul 5, according to a survey conducted by RIM, flat on week. The utilization of the refining capacity in Singapore was at 94.50%, flat from a week before. Singapore has a total refining capacity of 1,395-mil b/d.

**○Taiwan crude oil throughput up 1.9% on week**

Combined crude oil throughput at refineries Taiwan refineries as of Thursday was at 800,000b/d, up 1.9% from a week before, according to a survey conducted by RIM. The figure equates to a utilization rate of 63.5% of Taiwan's total refining capacity of 1.26-mil b/d. Formosa Petrochemical Co (FPCC) raised crude throughput at its 540,000b/d Mailiao refinery to 465,000b/d, up from 450,000b/d last week. FPCC targets July crude throughput at 480,000b/d. Meanwhile, crude throughput at CPC was at 335,000b/d, unchanged from a week earlier.

○Japan June automobile sales down 15.8% on year

Japan automobile sales for the month of June were 266,913 units, down 15.8% from the same month a year earlier, the Japan Automobile Dealers Association said Jul 1. The bulk of the June sales were distributed across standard size passenger vehicles (116,371 units) and small size passenger vehicles (116,805 units) with the remaining 32,963 units in sales for trucks and buses. June sales were 21.8% over sales of 219,099 units in the previous month. Japan is also a major manufacturer a lighter class of vehicles known as "K" type cars that have engines no larger than 600cc and weigh no more than 350kg. Sales of K cars in Japan for June totaled 183,915, down 2.3% from a year earlier, but up 23.8% from the previous month.

The renewal of the Rim Trading Board

Rim Intelligence Co. released the renewed Rim Trading Board. Through the new trading board aimed at boosting the price transparency, market players will be able to directly insert bids/offers and spot deals for all of oil and gas products handled by Rim daily reports. Users can now register with RIM and post their bids/offers etc free of charge. For personal computers, prices for crude, petroleum products, LPG, LNG and petrochemical products can be entered. In addition, RIM has launched the board for smart phones both in the Android version and the iphone version, which is only for domestic oil products. If you have any questions, please contact: RIM Intelligence TEL: 03-3552-2411
E-mail: info@rim-intelligence.co.jp

Announcement of a New Service - RIM Petrochemicals Report -

We, Petrochemical Team in RIM, would like to introduce a new service "RIM Petrochemicals Historical Price Data" which provides price information on an Excel spread sheet. The prices of petrochemicals collected and published in our daily report will be laid out in the spread sheet, with each sheet covering or containing prices during the past 20 days from and inclusive of the date of the publication of each report. Prices, compared with the previous day's close, will be indicated in red if higher, in blue if lower and in black if unchanged so you could readily grasp the market trend. Also, unlike the report itself, which is sent as a PDF file, the data will be provided as an Excel file, allowing the recipients to customize the data to their specific needs. The subscribers to the new data service alone will receive the same graph which we are sure would offer a visual image of the market trend.

For those subscribing to RIM Petrochemicals Report; US\$1,800 per Year

For those not subscribing to RIM Petrochemicals Report (who need only the data); US\$3,600 per Year



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