

☆RIM PETROCHEMICALS INTELLIGENCE DAILY

★No.2664 July 31, 2018

COPYRIGHT(C) 2018 Rim Intelligence Co. All rights reserved.

--TOKYO, 18:30 JST July 31, 2018 <Assessment Closing Time>

## ◎NOTICE

### ○Holiday Notice

To view the Rim Intelligence 2018 holiday schedule, please visit the URL below:

<https://eng.rim-intelligence.co.jp/uploaded-en/announcement/bc48cd1689d233da35355b3ddaf9b86.pdf>

### ○Publication of expected JCC

On Mar 6, Rim Intelligence began publishing the expected CIF price for crude oil imported to Japan, or Japan Crude Cocktail (JCC) on our website. We post market news covering the summary of the expected JCC, as well as commentaries on the trend of Dubai crude prices and yen/dollar exchange rates, components used to determine the expected JCC, three times every month. The expected JCC has been published for more than 10 years on some of Rim daily reports including LNG, Lorry Rack and Japan Products. The expected JCC, calculated based on our long experience in price assessments and accumulated research data, has been recognized as a reliable benchmark by a wide variety of market players both within and outside Japan.

### ◎RECX-22 index

RECX-22 index for Tuesday was 121.08, up 0.23 points from the previous day

### -----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:

Tel: +81-3-3552-2411

Email: [info@rim-intelligence.co.jp](mailto:info@rim-intelligence.co.jp)



◎Aromatics (\$/MT)						
○-Physical and Forward Prices						
	INDEX		H1Aug	H2Aug	H1Sep	H2Sep
○-Benzene						
FOB Korea	+	875/ 879+	—	865/ 870	875/ 879	875/879
FOB East Japan	+	865/ 870+	860/ 865	860/ 865	870/ 874	—
FOB West Japan	+	870/ 875+	865/ 870	865/ 870	875/ 879	—
CFR Japan	+	883/ 888+	878/ 883	878/ 883	888/ 892	—
China Domestic*	+ 6,950/ 6,980+					
China Domestic^	864^					
○-Styrene Monomer						
FOB Korea		1,380/ 1,390	1,385/1,395	1,385/1,395	1,375/1,385	—
CFR China		1,420/ 1,430	1,425/1,435	1,425/1,435	1,415/1,425	—
China Domestic*	11,750/11,770-					
China Domestic^	1,458^					
○-Toluene						
FOB Korea	+	785/ 800+	—	784/ 795	785/ 800	785/800
○-Iso MX						
FOB Korea	+	870/ 880+	—	873/ 883	870/ 880	870/880
CFR Taiwan	+	889/ 899+	—	892/ 902	889/ 899	889/899
○-PX						
FOB Korea	+	1,065/ 1,067+	—	1,067/1,069	1,065/1,067	1,065/1,067
CFR N. E. Asia	+	1,085/ 1,087+	—	1,087/1,089	1,085/1,087	1,085/1,087
*Yuan/mt, ^\$/mt, calculated from China Domestic.						

\*Yuan/mt, ^\$/mt, calculated from China Domestic.

◎Olefins (\$/MT)			
	CFR N. E. Asia	CFR S. E. Asia	FOB Korea
Ethylene	1,340/1,360	1,240/1,250	1,340/1,360
Propylene	+ 1,100/1,130 +	+ 1,030/1,060 +	1,070/1,080
Butadiene	1,680/1,700	1,630/1,650	1,640/1,660

◎China Domestic (Yuan/MT)	
	East China
Propylene	8,550/ 8,600
Propylene (Shandong)*	+ 8,700/ 8,750 +
Butadiene	12,750/12,850
SBR	12,700/12,800
BR	13,600/13,800

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

◎Polymers (\$/MT)				
	CFR China	CFR S. E. Asia	China Domestic*	USD^
LDPE (Film)	1,090/1,140	1,140/1,160	9,400/ 9,600	1,128 -
LLDPE (Film)	1,080/1,120	1,100/1,140	9,300/ 9,400	1,110 -
HDPE (Film)	1,280/1,320	1,280/1,320	10,800/11,000	1,294 -
HDPE (Yarn)	1,290/1,330	1,300/1,340	11,200/11,300	1,336 -
PP (Homo) - BOPP	1,210/1,240	1,240/1,270	—	—
PP (Homo) - Yarn/INJ	1,190/1,210	1,220/1,240	9,350/ 9,450	1,116 -
PP (Block Co) - INJ	1,230/1,250	1,260/1,280	—	—

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



◎PVC and Feedstocks (\$/MT)		
	CFR China	
PVC	950/960	
Ethylene Dichloride	315/345	
Vinylchloride Monomer	+ 720/740 +	

◎Intermediates (\$/MT)		
Phenol (CFR NEA)	1,280/1,320	
Bisphenol-A (CFR China)	1,830/1,870	
Acrylonitrile (CFR China)	2,130/2,170	
Caprolactam (CFR NEA)	2,100/2,120	

◎PET and Feedstocks (\$/MT)			
		China Domestic <sup>^</sup>	
PTA (EX-Bonded Warehouse)	+ 865/ 870 +	- 6,575/6,625 -	
Monoethylene Glycol (CFR China)	- 935/ 940 -	- 7,740/7,780 -	
PET(Bottle, FOB NEA)	1,240/1,290	—	

<sup>^</sup>Yuan/MT.

◎Weekly & Monthly Average**				
	23. Jul - 27. Jul	Jul Ave.	23. Jul - 27. Jul	Jul Ave.
<b>○-Benzene</b>				
FOB Korea	843/ 846	+ 836/ 840 +		
FOB E-Japan	836/ 839	+ 829/ 832 +		
FOB W-Japan	841/ 844	+ 834/ 837 +		
CFR Japan	854/ 857	+ 847/ 850 +		
China Domestic*	6,592/ 6,652	+ 6,477/ 6,537 +		
<b>○-Styrene Monomer</b>				
FOB Korea	1,355/ 1,374	- 1,342/ 1,360 -		
CFR China	1,395/ 1,414	- 1,382/ 1,400 -		
China Domestic*	11,574/11,636	- 11,322/11,393 -		
<b>○-Toluene</b>				
FOB Korea	765/ 775	- 754/ 764 -		
<b>○-Iso MX</b>				
FOB Korea	843/ 852	+ 833/ 841 +		
CFR Taiwan	862/ 871	+ 850/ 857 +		
<b>○-PX</b>				
FOB Korea	1,014/ 1,016	+ 1,000/ 1,002 +		
CFR N. E. Asia	1,034/ 1,036	+ 1,020/ 1,022 +		
	CFR N. E. Asia		CFR S. E. Asia	
Ethylene	1,354/1,378	+ 1,370/1,391 +	1,254/1,276	+ 1,270/1,290 +
Propylene	1,080/1,100	- 1,060/1,081 -	1,010/1,030	- 993/1,010 -
Butadiene	1,656/1,700	- 1,666/1,712 +	1,606/1,650	- 1,616/1,662 +
	FOB Korea			
Ethylene	1,354/1,378	+ 1,355/1,372 +		
Propylene	1,064/1,074	- 1,042/1,062 -		
Butadiene	1,608/1,652	+ 1,627/1,670 +		

	China Domestic*			
Propylene	8,420/ 8,470	+ 8,224/ 8,283 +		
Propylene (Shandong)	8,520/ 8,570	+ 8,317/ 8,374 +		
Butadiene	12,870/12,970	+ 12,167/12,271 +		
SBR	12,700/12,800	+ 12,429/12,567 +		
BR	13,360/13,480	+ 12,795/12,948 +		
	CFR China		CFR S.E. Asia	
	23. Jul – 27. Jul	Jul Ave.	23. Jul – 27. Jul	Jul Ave.
LDPE (Film)	1,090/1,140	– 1,107/1,156 –	1,140/1,160	– 1,150/1,177 –
LLDPE (Film)	1,080/1,120	– 1,096/1,139 –	1,110/1,160	– 1,117/1,163 –
HDPE (Film)	1,300/1,330	– 1,315/1,355 –	1,330/1,350	– 1,329/1,351 –
HDPE (Yarn)	1,310/1,340	– 1,330/1,365 –	1,350/1,370	– 1,345/1,367 –
PP (Homo) – BOPP	1,218/1,248	– 1,231/1,255 –	1,240/1,278	– 1,264/1,290 –
PP (Homo) – Yarn/INJ	1,198/1,218	– 1,211/1,231 –	1,220/1,248	– 1,244/1,267 –
PP (Block Co) – INJ	1,238/1,258	– 1,251/1,271 –	1,260/1,288	– 1,278/1,300 –
	China Domestic*			
LDPE (Film)	9,400/ 9,600	– 9,400/ 9,600 –		
LLDPE (Film)	9,300/ 9,400	– 9,300/ 9,400 –		
HDPE (Film)	10,800/11,000	– 10,800/11,000 –		
HDPE (Yarn)	11,200/11,300	– 11,200/11,300 –		
PP (Homo) – Yarn/INJ	9,270/ 9,370	+ 9,217/ 9,312 +		
	CFR China		China Domestic*	
PVC	950/960	+ 940/950 +		
Ethylene Dichloride	317/343	+ 318/339 +		
Vinylchloride Monomer	700/720	+ 701/721 +		
Phenol	1,280/1,320	– 1,280/1,320 –		
Bisphenol-A	1,830/1,870	+ 1,830/1,870 +		
Acrylonitrile	2,130/2,170	+ 2,126/2,166 +		
Caprolactam	2,100/2,120	+ 2,097/2,117 +		
PTA	841/ 846	+ 840/ 845 –	6,196/6,206	+ 6,096/6,114 +
Monoethylene Glycol	910/ 917	+ 904/ 909 +	7,497/7,511	+ 7,302/7,326 +
PET (Bottle, FOB NEA)	1,240/1,290	– 1,297/1,343 –		

©Contract Prices**			
	May	Jun	Jul
Bz ACP (CFR NEA, \$/mt)	850	860	820
Yen/mt conversion	98,600	98,800	96,100
Bz USCP (FOB USGC, cts/gal)	293	299	284
\$/mt conversion	876	894	849
PX ACP (CFR NEA, \$/mt)	–	–	–
Bz ACP is released by JX. Bz USCP and PX ACP are agreed prices between makers and end-users.			

©Feedstocks**			
	Index		
Naphtha CFR Japan(\$/mt)	– 670.75 / 675.75 –		
Yen/mt conversion	51,943 –		
Naphtha CFR Japan prices are from Products reports			
	Jan–Mar 18	Apr–Jun 18	Jul–Sep (Implied)
Naphtha Domestic CP(Yen/kl)	47.900	48.700	53.900



Calculated from statistics from Ministry of Finance of Japan.

Forecasts calculated based on Naphtha CFR Japan prices.

	Propane	Butane
RIM Asia Index (\$/MT)	604.50 -	614.50 -
China PDH Margin (\$/mt)	241 +	

RIM Asia Index are from LPG report.  
 PDH Margin calculated based on CFR China propane and CFR NEA propylene prices.

◎Reference Prices (\$/MT)\*\*

	Sep	Oct	Nov
Japan Mogas-Tocom(Yen/kl)	65,370 +	64,480 +	63,900 +
Yen/mt conversion	90,792 +	89,556 +	88,750 +
Japan Mogas-Tocom prices are settlement prices for each month from TOCOM.			
	East	West	
Japan Mogas-RIM(Yen/kl)	70,000/71,000 +	70,000/71,000	
Yen/mt conversion	97,917 +	97,917	
Japan Mogas-RIM prices are from Japan Products report.			
	WTI (Sep)	Brent (Sep)	Paper Dubai (Jul)
Tokyo Spot Crude(\$/bbl) / Jul31 16:00	69.78 +	74.62 +	73.62 +
\$/mt conversion	532 +	564 +	533 +
Tokyo Spot Crude WTI, Brent and Paper Dubai prices are from Crude/Condensate report.			
	Nymex WTI (Sep)	ICE Brent (Sep)	
Crude Futures Settlement(\$/bbl) / Jul30	70.13 +	74.97 +	
\$/mt conversion	535 +	567 +	
Crude Futures settlement prices are settlement prices from Nymex and ICE.			
	Yen/\$, TTM	Yuan/\$	
Exchange rate	111.01 -	6.8165 +	

◎Spread/Aromatics (\$/MT)\*\*

	BZ	TL	MX	SM	PX	Nap
Benzene	—	85 -	2 +	-508 +	-189 +	204 +
Toluene	-85 +	—	-83 +	-593 +	-274 +	119 +
ISO MX	-2 -	83 -	—	-510 +	-191 -	202 +
SM	508 -	593 -	510 -	—	319 -	712 +
P-Xylene	189 -	274 -	191 +	-319 +	—	393 +
Naphtha	-204 -	-119 -	-202 -	-712 -	-393 -	—

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

◎Spread/Olefins (\$/MT)\*\*

	Ethylene	Propylene	Butadiene	Naphtha
Ethylene	—	235 -	-340	677 +
Propylene	-235 +	—	-575 +	442 +
Butadiene	340	575 -	—	1,017 +
Naphtha	-677 -	-442 -	-1,017 -	—

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

◎Spread/Polyolefins & Intermediate VS Feedstocks (\$/MT)\*\*

LDPE (Film)	-262	PP/Homo (BOPP)	110 -	SM	278 -	EDC	-62
LLDPE (Film)	-183	PP/Homo (Yarn/INJ)	85 -	Phenol	-68 -	VCM	195 +



HDPE (Film)	-104	PP/Block Co (INJ)	69 -	PTA	140 +	PVC	218 -
				MEG	128 -		

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

©Spread/Aromatics vs Naphtha & WTI & Gasoline**				
	Naphtha	Nymex WTI	Mogas-Tocom	JPN Mogas-RIM
BZ FOB Korea (\$/MT)	204 +	342 -	59 +	-5 +
Yen/mt	22,618 +	38,010 -	6,564 +	-561 +
TL FOB Korea (\$/MT)	119 +	258 +	-25 +	-90 +
Yen/mt	13,238 +	28,629 +	-2,816 +	-9,941 +
MX FOB Korea (\$/MT)	202 +	340 -	57 -	-7 +
Yen/mt	22,396 +	37,788 -	6,342 -	-783 +

Calculated from the price difference between each product and CFR Japan Naphtha, Nymex WTI, Mogas-tocom and Japan Mogas-RIM.

\*\*These are reference prices and not price assessments.

## © TRANSACTIONS

Benzene			PX		
Oct	FOB KOREA	883	Oct	CFR NEA	1,069

## © AROMATICS

### ○ Benzene

Benzene prices on FOB Korea basis for second-half August loading gained \$8/mt from the day before to \$865-870/mt on Tuesday. Prices for September loading increased \$9/mt to \$875-879/mt. Anticipation of surging buying interest from China for FOB Korea cargoes due to increases in China domestic prices pushed up the market. On an FOB Korea basis, a deal for October loading was concluded at \$883/mt. After that, discussions for

second-half August and September loading were in the range of \$865-870/mt and \$875-879/mt respectively.

China domestic benzene prices spiked Yuan 215/mt from the previous day to Yuan 6,950-6,980/mt. China Petrochemical Corporation (Sinopec) pulled up ex-work prices more than before by Yuan 200/mt to Yuan 6,850/mt.

### ○ Styrene Monomer

Styrene monomer (SM) prices on an FOB Korea basis for August and first-half September loading held steady at \$1,385-1,395/mt and \$1,375-1,385/mt respectively. On a CFR China basis, prices for August and first-half September delivery showed no change at \$1,425-1,435/mt and \$1,415-1,425/mt respectively. China domestic prices slipped Yuan 15/mt to Yuan 11,750-11,770/mt, weighed down by

receding buying interest from end-users. Discussion levels for spot cargoes fell to Yuan 11,750-11,770/mt. On a CFR China basis, bids for August delivery were reported at \$1,420-1,425/mt. For September delivery, bids and offers were not heard and activity was subdued.

### ○ Toluene

Toluene prices on an FOB Korea basis for second-half August and September loading headed north by \$15/mt and \$14/mt from the previous day

to \$784-795/mt and \$785-800/mt respectively. Prices were boosted by China domestic prices rising to Yuan 6,510-6,520/mt. Discussions on an FOB

Korea basis for August and September loading were conducted at \$784-795/mt and \$785-800/mt respectively.

## ○ Mixed Xylene

Isomer grade mixed xylene (MX) prices for second-half August inched up by \$2/mt from the day before to \$873-883/mt on an FOB Korea basis, and \$892-902/mt on a CFR Taiwan basis. For September, prices edged higher by \$2/mt to \$870-880/mt on an FOB Korea basis, and

\$889-899/mt on a CFR Taiwan basis. Prices were supported by strength in derivative paraxylene (PX) prices. Under such situation, bids for September loading on an FOB Korea basis were heard at \$870/mt, but offers in response were not observed.

## ○ Paraxylene

Paraxylene (PX) prices for August moved up by \$8/mt from the day before to \$1,087-1,089/mt on a CFR Northeast Asia basis and \$1,067-1,069/mt on an FOB Korea basis. For September, prices increased \$8/mt to \$1,085-1,087/mt on a CFR Northeast Asia basis and \$1,065-1,067/mt on an FOB Korea basis.

Prices were boosted by a sense of recent tight supply/ demand fundamentals. On a CFR Northeast Asia basis, a cargo for October arrival was dealt at \$1,069/mt. On the other hand, Asian contract prices for August were settled at \$1,060/mt, a market participant reported.

## ◎ OLEFINS

### ○ Ethylene

In ethylene markets in Asia on Tuesday, CFR Northeast Asia and FOB Korea prices were stable at \$1,340-1,360/mt. CFR Southeast Asia prices remained unchanged at \$1,240-1,250/mt.

On an FOB Korea basis, one maker seemed to have availability but no information on deals were heard at the moment.

In Northeast Asia, players were trying to determine market directions ahead and stayed on the sideline. As it was difficult to tell if supply/demand would tighten or loosen, many players refrained from firm talks. One trader reckoned that some end-users began to show willingness to discuss based on fixed prices. So far, owing to bearish sentiment, many end-users had hoped to discuss based on market quotations but in recent days, the market, although still softening, seemed to be falling less rapidly. This gave rise to a sense that the market might be bottoming out, prompting end-users to consider buying based on fixed prices.

In Japan, operating rates of naphtha crackers at Keiyo Ethylene and Maruzen Petrochemical were expected to be raised to 80% and above from August.

On a CFR Southeast Asia basis, no new discussions were heard. As reported on Monday, supply of term cargoes from Saudi Arabia was becoming active. One Southeast Asian end-users had not been receiving term cargoes so far this year but would receive one to two cargoes per month from August. As a result, the end-user saw no need to purchase spot cargoes.

### ○ Propylene

In propylene markets in Asia on Tuesday, CFR Northeast Asia prices rose \$25/mt from the previous day to \$1,100-1,130/mt in view of tight

supply/demand. CFR Southeast Asia prices increased \$25/mt to \$1,030-1,060/mt, lifted by gains in the CFR Northeast Asia market. FOB Korea prices



were unchanged at \$1,070-1,080/mt.

In Northeast Asia, with China domestic prices rising recently, buying ideas from Chinese end-users for imported cargoes rose to \$1,080-1,100/mt. Some sellers indicated offers at \$1,130/mt. Amid supply tightness, most sellers took a wait-and-see attitude.

In the China domestic market, East China prices held steady at Yuan 8,550-8,600/mt. Shandong

prices gained Yuan 50/mt to \$8,700-8,750/mt on the back of supply tightness.

On an FOB Korea basis, spot cargoes were limited and no bids and offers were reported. Prices also remained at the same level as the day before.

In Southeast Asia, bids and offers were not heard and prices tracked movements in the CFR Northeast Asia market.

## ○ Butadiene

In butadiene markets in Asia on Tuesday, CFR Northeast Asia and CFR Southeast Asia prices posted no change at \$1,680-1,700/mt and \$1,630-1,650/mt respectively. FOB Korea prices held steady at \$1,640-1,660/mt.

In Northeast Asia, negotiations on August cargoes were finished and it was too early for talks on September cargoes to start. As a result, a wait-and-see mood pervaded the market. For September cargoes, supply was expected to remain tight since naphtha crackers would undergo maintenance successively. On the other hand, as

demand for derivatives was sluggish, buying interest for butadiene was not strong.

In the China domestic market, amid limited availability, delivered prices in East China rose to about Yuan 13,300/mt. Ex-tank prices were unchanged from the previous day.

In Southeast Asia basis, Thailand's PTTGC closed a sell tender on Jul 31 for 1,700mt loading Aug 19-23 but results were as yet unknown. PTTGC also issued a sell tender closing Aug 1 for 2,000mt of raffinate-1 loading Aug 30-Sep 1.

## ◎ POLYMERS

The CFR China polyolefin market was stable on Tuesday. As reported on Monday, major Middle East makers had finished negotiations on August cargoes and fresh talks were not heard. Only discussions were reported at about \$1,100/mt for linear low density polyethylene (LLDPE) Film and about \$1,300/mt for high density polyethylene (HDPE) Film. Although a demand season for the agriculture sector as well as for Christmas and

Lunar New Year holidays would start in the future, traders mentioned that buying interest was not strong and bullish sentiment did not emerge.

On a CFR Southeast Asia basis, prices stayed intact. Fresh talks on delivery to Vietnam and Indonesia were not heard.

## ◎ PVC and RAW MATERIALS

Vinylchloride monomer (VCM) prices on a CFR China basis strengthened \$20/mt from the previous day to \$720-740/mt on Tuesday, reflecting deals for August cargoes of derivative polyvinyl chloride (PVC) being done at \$20/mt higher than the previous month. In the market, at least one August

cargo of VCM for delivery to China was traded at \$730/mt. Reports were also heard that several cargoes might have been traded.

In Southeast Asia, fresh negotiations and deals were not heard. Nevertheless, discussions on term



cargoes from the Middle East for September delivery were being conducted. A Southeast Asian source reckoned that since Formosa Plastics' VCM

unit would finish maintenance in early August, supply/demand for September cargoes in Asia might slacken.

## ◎ PET and RAW MATERIALS

### ○ Purified Terephthalic Acid / Monoethylene Glycol

Purified terephthalic acid (PTA) prices for cargoes ex-bonded warehouses in China increased \$10/mt from the previous day to \$865-870/mt due to perceptions of tight supply/demand. Offers were posted at \$870/mt. While inventories were low, Alpek's facility was shut down and supply was thin. China domestic prices fell Yuan 75/mt to Yuan 6,575-6,625/mt due to profit-taking selling after the previous day's sharp gain. Losses in crude prices and PTA futures on the Zhengzhou Commodity Exchange also weighed on the market. Deals were

done at around Yuan 6,600/mt.

Ethylene glycol (EG) prices on a CFR China basis slid \$13/mt to \$935-940/mt while China domestic prices declined Yuan 80/mt to Yuan 7,740/7,780/mt, dragged down by profit-taking selling following sharp gains the day before. Deals were concluded at \$935-940/mt on a CFR China basis and at about \$7,760/mt in the China domestic market.

## ◎ OTHERS

### ○ Naphtha

The open-spec naphtha price in Asia was in the range of \$670.75-675.75/mt, down 50cts/mt from a day earlier. The price showed a limited change on supply/demand in balance.

In Brent crude oil futures trade on the Intercontinental Exchange (ICE) early in the evening in Asia, the Sep contract rose by 23cts/bbl to \$74.67/bbl. Open-spec naphtha prices for H1 Sep arrival were at \$679.75-680.25/mt, H2 Sep arrival at \$675.25-675.75/mt, and H1 Oct arrival at \$670.75-671.25/mt.

On the timing spread, H1 Sep/H1 Oct spread was in backwardation of \$9.00/mt, showing no change from a day earlier. The Sep Brent/H1 Sep naphtha spread was at \$120/mt in favor of naphtha, shrinking by \$2/mt from the previous day.

Early in the evening in Asia, Aug NWE naphtha prices were \$655.75-657.75/mt, down \$2.25/mt from the previous day. Prices for Sep and Oct were at \$651.25-653.25/mt and \$647.00-649.00/mt. H1 Sep Asia/Aug NWE spread was at \$23/mt in favor of Asia, widening by \$1/mt from a day earlier.

### ○ Liquefied Petroleum Gas

The CFR Far East market on Tuesday fell in view of plentiful supply.

Propane and butane prices for second-half August delivery fell by \$2/mt from the previous day to \$606-608/mt and \$616-618/mt respectively. Relative to the August CP, the premium for propane and butane shrank by \$7/mt to \$26-28/mt and \$21-23/mt respectively.

Propane and butane prices for first-half September declined by 2/mt from the previous day to \$604-606/mt and \$614-616/mt respectively. Relative to the September CP, the premium for propane and butane was down by \$2/mt to \$25-27/mt and \$20-22/mt respectively.

Propane and butane prices for second-half September decreased by \$2/mt from the previous day to \$603-606/mt and \$613-616/mt respectively. Relative to the September CP, the premium for propane and butane fell by \$2/mt to \$24-27/mt and \$19-22/mt respectively.

### ○ US Summary



WTI crude futures on the NYMEX rebounded on Monday. The front month September contract ended at \$70.13 per barrel (bbl), up \$1.44 from last Friday. The contract was \$2.24 higher than one week ago.

WTI prices recovered to \$70s for the first time since Jul 20. The dollar fell against the euro, making prices of dollar-base commodities like crude oil undervalued, which triggering buying in crude futures. Since Jul 25, Saudi Arabia was suspending oil shipments through the Red Sea's Bab al-Mandeb strait after two tankers had been attacked by Yemen's armed group. Following this, concerns about supply instability in the Middle East persisted and supported the crude oil market. In addition, an outage at a Syncrude facility in Alberta, Canada was prolonged and a restart was likely to be delayed further from the initial prospects. This was also regarded as a bullish factor. But upside of crude prices was capped by rising inventories in US. According to energy information company Genscape, US crude stocks in Cushing, Oklahoma in the week to Jul 27 rose.

North Sea Brent crude futures on the ICE also rebounded. The September contract ended at \$74.97/bbl, up 68cts from last Friday. The contract was \$1.91 higher than one week ago.

The August natural gas contract on NYMEX closed at \$2.822 per million British thermal units (mmBtu) on Friday, up 4.2cts from the previous day, tied to buying amid an expected increase in demand for air-conditioning. Weather reports forecast that temperatures were supposed to remain high toward mid-August in US Northeast and Midwest, prime gas consuming areas.

The June WTI contract was at \$69.76/bbl as of 17:00 Tokyo time on Tuesday, down 37cts from the closing price on Monday.

In the USGC benzene market on a Delivered Duty Paid (DDP) basis on Monday, cargoes were traded at 293cts/gal and 295cts/gal for August, 296cts/gal for September, and 295.5cts/gal and 297.5cts/gal for October. In Europe on a CIF Amsterdam, Rotterdam, Antwerp (ARA) basis on the same day, bids for August were posted at \$870/mt versus offers at \$875/mt, and bids for September at \$875/mt met with offers at \$885/mt.

## ◎ Market News

### ○ South Korea crude throughput at 2.87 mil b/d, unchanged on week

Combined crude oil throughput for refiners in South Korea was at 2.87 mil barrels per day (b/d) as of Jul 31, unchanged on week, according to a Rim survey of operating rates. The current figure equates to a utilization rate of 93.8% of the nation's total refining capacity of 3.05 mil b/d.



## Editorial and Subscription Inquiry:

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

e-mail:[info@rim-intelligence.co.jp](mailto:info@rim-intelligence.co.jp)

[Singapore office] Tel:(65)-6345-9894, Fax (65)-6345-9894,

e-mail:[hagimoto@rim-intelligence.co.jp](mailto:hagimoto@rim-intelligence.co.jp)

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

e-mail: [guanhong@rimbj.com](mailto:guanhong@rimbj.com)

[Indian office] Tel:(91)-98795-50717,

e-mail:[kamlesh@rim-intelligence.co.jp](mailto:kamlesh@rim-intelligence.co.jp)

[Shanghai office] Tel:(86)-21-5111-3575,

e-mail:[rim\\_sh@rim-intelligence.co.jp](mailto:rim_sh@rim-intelligence.co.jp)

**Rim reports are available via internet e-mail:**



Rim reports are copyrighted publications. No portion of the reports may be photocopied, reproduced, retransmitted, put into a computer system or otherwise redistributed not only to parties outside the organization of the subscriber but also to other departments or branch offices within the same organization as the subscriber. If a breach of copyright is found, penalty may be imposed. While information in the reports is expected to be accurate, RIM bears no responsibility for any consequences arising from the subscriber's use of such information. Further, if events beyond our control such as natural disasters or unforeseen circumstances are to occur or likely to occur, giving rise to operational problems, publications may be halted temporarily.

**(C) 2018 RIM INTELLIGENCE CO.**