

☆RIM PETROCHEMICALS INTELLIGENCE DAILY

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--TOKYO, 18:30 JST Jan 31, 2019 <Assessment Closing Time>

◎NOTICE

◎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 Thursday was 93.89, up 1.29 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

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◎Aromatics (\$/MT)					
○-Physical and Forward Prices					
	INDEX	H1 Feb	H2 Feb	H1 Mar	H2 Mar
○-Benzene					
FOB Korea	+ 582/ 587+	—	567/ 573	582/ 587	582/587
FOB East Japan	+ 570/ 575+	562/ 568	562/ 568	577/ 582	—
FOB West Japan	+ 575/ 580+	567/ 573	567/ 573	582/ 587	—
CFR Japan	+ 588/ 593+	580/ 586	580/ 586	595/ 600	—
China Domestic*	+4,850/4,900+				
China Domestic [^]	615 [^]				
○-Styrene Monomer					
FOB Korea	+1,040/1,050+	1,035/1,045	1,035/1,045	1,045/1,055	—
CFR China	+1,080/1,090+	1,075/1,085	1,075/1,085	1,085/1,095	—
China Domestic*	+8,500/8,550+				
China Domestic [^]	1,075 [^]				
○-Toluene					
FOB Korea	+ 605/ 615+	—	605/ 615	605/ 615	605/615
○-Iso MX					
FOB Korea	+ 640/ 642+	—	640/ 642	640/ 642	640/642
CFR Taiwan	+ 669/ 671+	—	669/ 671	669/ 671	669/671
○-PX					
FOB Korea	+1,065/1,067+	—	1,064/1,066	1,065/1,067	1,065/1,067
CFR N. E. Asia	+1,085/1,087+	—	1,084/1,086	1,085/1,087	1,085/1,087

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

◎Olefins (\$/MT)			
	CFR N. E. Asia	CFR S. E. Asia	FOB Korea
Ethylene	+ 1,100/1,150 +	+ 1,000/1,050 +	+ 1,080/1,120 +
Propylene	910/ 920	830/ 840	880/ 900
Butadiene	- 1,120/1,150	- 1,070/1,100	- 1,070/1,100

◎China Domestic (Yuan/MT)	
	East China
Propylene	7,850/ 7,900
Propylene (Shandong)*	7,800/ 7,850
Butadiene	10,200/10,300
SBR	11,600/11,700
BR	11,700/11,800

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

◎Polymers (\$/MT)				
	CFR China	CFR S. E. Asia	China Domestic*	USD [^]
LDPE (Film)	1,000/1,050	1,020/1,040	8,900/9,100	1,087 +
LLDPE (Film)	1,020/1,040	+ 1,020/1,040	9,000/9,100	1,093 +
HDPE (Film)	1,050/1,100	+ 1,050/1,100 +	9,500/9,700	1,159 +
HDPE (Yarn)	1,050/1,100	+ 1,050/1,100 +	9,650/9,850	1,177 +
PP (Homo) - BOPP	1,090/1,100	1,090/1,100	—	—
PP (Homo) - Yarn/INJ	1,080/1,090	1,070/1,080	9,000/9,050	1,090 +
PP (Block Co) - INJ	1,110/1,120	1,110/1,120	—	—

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



◎PVC and Feedstocks (\$/MT)		
	CFR China	
PVC	890/900	
Ethylene Dichloride	410/420	
Vinylchloride Monomer	725/735	

◎Intermediates (\$/MT)		
Phenol (CFR NEA)	1,080/1,100	
Bisphenol-A (CFR China)	1,280/1,300	
Acrylonitrile (CFR China)	1,400/1,450	
Caprolactam (CFR NEA)	1,730/1,770	

◎PET and Feedstocks (\$/MT)			
		China Domestic [^]	
PTA (EX-Bonded Warehouse)	775/ 795	6,500/6,550 +	
Monoethylene Glycol (CFR China)	+ 625/ 630 +	+ 5,100/5,150 +	
PET(Bottle, FOB NEA)	1,070/1,120	—	

[^]Yuan/MT.

◎Weekly & Monthly Average**						
	21. Jan - 25. Jan		Jan Ave.	21. Jan - 25. Jan		Jan Ave.
○-Benzene						
FOB Korea	568/ 572	-	564/ 568 -			
FOB E-Japan	556/ 561	-	553/ 557 -			
FOB W-Japan	561/ 566	-	558/ 562 -			
CFR Japan	574/ 579	-	571/ 575 -			
China Domestic*	4,684/4,774	-	4,699/4,757 -			
○-Styrene Monomer						
FOB Korea	987/ 999	+	981/ 992 +			
CFR China	1,027/1,039	+	1,021/1,032 +			
China Domestic*	8,126/8,166	-	8,117/8,163 -			
○-Toluene						
FOB Korea	590/ 596	+	583/ 590 +			
○-Iso MX						
FOB Korea	681/ 683	-	663/ 665 -			
CFR Taiwan	703/ 705	-	688/ 690 -			
○-PX						
FOB Korea	1,059/1,061	+	1,042/1,044 +			
CFR N. E. Asia	1,079/1,081	+	1,062/1,064 +			
		CFR N. E. Asia		CFR S. E. Asia		
Ethylene	976/1,010	+	937/ 967 +	874/ 906	+	834/ 863 +
Propylene	936/ 962	+	941/ 965 +	856/ 882	+	861/ 885 +
Butadiene	1,162/1,190	-	1,158/1,186 -	1,112/1,140	-	1,108/1,136 -
		FOB Korea				
Ethylene	954/ 982	+	914/ 940 +			
Propylene	900/ 924	+	906/ 929 +			
Butadiene	1,112/1,140	-	1,104/1,132 -			



	China Domestic*			
Propylene	7,850/7,930	+ 7,922/7,983 -		
Propylene (Shandong)	7,870/7,950	+ 7,908/7,992 -		
Butadiene	10,020/10,120	+ 10,481/10,581 +		
SBR	11,640/11,740	+ 11,756/11,856 +		
BR	11,710/11,810	+ 11,817/11,950 +		
	CFR China		CFR S. E. Asia	
	21. Jan - 25. Jan	Jan Ave.	21. Jan - 25. Jan	Jan Ave.
LDPE (Film)	1,000/1,050	+ 1,000/1,050 +	1,016/1,048	- 1,016/1,054 -
LLDPE (Film)	1,020/1,040	+ 1,011/1,031 +	1,014/1,040	+ 1,008/1,036 +
HDPE (Film)	1,050/1,100	- 1,041/1,091 -	1,042/1,092	- 1,040/1,086 -
HDPE (Yarn)	1,050/1,100	- 1,041/1,091 -	1,042/1,092	- 1,040/1,086 -
PP (Homo) - BOPP	1,074/1,092	+ 1,071/1,088 +	1,082/1,100	- 1,083/1,100 -
PP (Homo) - Yarn/INJ	1,064/1,082	+ 1,061/1,078 +	1,062/1,080	- 1,063/1,080 -
PP (Block Co) - INJ	1,094/1,112	+ 1,091/1,108 +	1,102/1,120	- 1,103/1,120 -
	China Domestic*			
LDPE (Film)	8,950/9,150	- 8,972/9,206 -		
LLDPE (Film)	9,100/9,200	- 9,078/9,211 -		
HDPE (Film)	9,600/9,700	- 9,578/9,733 -		
HDPE (Yarn)	9,650/9,850	- 9,700/9,883 -		
PP (Homo) - Yarn/INJ	9,200/9,250	- 9,172/9,222 -		
	CFR China		China Domestic*	
PVC	890/900	+ 884/894 +		
Ethylene Dichloride	410/420	+ 403/413 +		
Vinylchloride Monomer	706/716	+ 705/715 +		
Phenol	1,080/1,100	- 1,080/1,100 -		
Bisphenol-A	1,280/1,300	- 1,338/1,366 -		
Acrylonitrile	1,490/1,540	- 1,500/1,550 -		
Caprolactam	1,730/1,770	- 1,730/1,770 -		
PTA	781/801	- 778/797 -	6,474/6,520	- 6,365/6,414 -
Monoethylene Glycol	619/624	- 619/625 -	5,066/5,106	- 5,087/5,126 -
PET (Bottle, FOB NEA)	1,062/1,112	- 1,063/1,112 -		

◎Contract Prices**

	Nov	Dec	Jan
Bz ACP (CFR NEA, \$/mt)	785	660	535
Yen/mt conversion	94,600	80,400	65,000
Bz USCP (FOB USGC, cts/gal)	280	211	183
\$/mt conversion	837	631	547
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)	+ 507.25 / 514.75 +		
Yen/mt conversion	38,697 +		
Naphtha CFR Japan prices are from Products reports			
	Jul-Sep 18	Oct-Dec 18	Jan-Mar (Implied)
Naphtha Domestic CP (Yen/kl)	53,500 +	54,200 +	40,500 -



Calculated from statistics from Ministry of Finance of Japan.
 Forecasts calculated based on Naphtha CFR Japan prices.

	Propane	Butane
RIM Asia Index (\$/MT)	459.25 +	505.00 +
China PDH Margin (\$/mt)	197 -	

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

◎Reference Prices (\$/MT)**

	Mar	Apr	May
Japan Mogas-Tocom(Yen/kl)	51,770 +	52,040 +	51,980 +
Yen/mt conversion	71,903 +	72,278 +	72,194 +

Japan Mogas-Tocom prices are settlement prices for each month from TOCOM.

	East	West
Japan Mogas-RIM(Yen/kl)	56,500/56,800	56,500/56,800
Yen/mt conversion	78,681	78,681

Japan Mogas-RIM prices are from Japan Products report.

	WTI (Mar)	Brent (Mar)	Paper Dubai (Jan)
Tokyo Spot Crude(\$/bbl) / Jan31 16:00	54.62 +	62.24 +	61.84 +
\$/mt conversion	416 +	471 +	448 +

Tokyo Spot Crude WTI, Brent and Paper Dubai prices are from Crude/Condensate report.

	Nymex WTI (Mar)	ICE Brent (Mar)
Crude Futures Settlement(\$/bbl)/ Jan30	54.23 +	61.65 +
\$/mt conversion	413 +	466 +

Crude Futures settlement prices are settlement prices from Nymex and ICE.

	Yen/\$, TTM	Yuan/\$
Exchange rate	108.96 -	6.7025 -

◎Spread/Aromatics (\$/MT)**

	BZ	TL	MX	SM	PX	Nap
Benzene	—	-26	-57 +	-461 -	-482 +	74 +
Toluene	26	—	-31 +	-435 -	-456 +	99 +
ISO MX	57 -	31 -	—	-404 -	-425 +	130 +
SM	461 +	435 +	404 +	—	-21 +	534 +
P-Xylene	482 -	456 -	425 -	21 -	—	555 -
Naphtha	-74 -	-99 -	-130 -	-534 -	-555 +	—

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

◎Spread/Olefins (\$/MT)**

	Ethylene	Propylene	Butadiene	Naphtha
Ethylene	—	210 +	-10 +	614 +
Propylene	-210 -	—	-220 +	404 -
Butadiene	10 -	220 -	—	624 -
Naphtha	-614 -	-404 +	-624 +	—

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

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

LDPE (Film)	-123 -	PP/Homo (BOPP)	180	SM	240 -	EDC	89 -
LLDPE (Film)	-39 -	PP/Homo (Yarn/INJ)	170	Phenol	96 -	VCM	58
HDPE (Film)	-95 -	PP/Block Co (INJ)	154	PTA	57 -	PVC	158



	MEG	-48 -	
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)	74 +	171 +	-75 +	-138 +
Yen/mt	8,009 +	18,644 +	-8,216 +	-14,993 +
TL FOB Korea (\$/MT)	99 +	197 +	-50 +	-112 +
Yen/mt	10,787 +	21,422 +	-5,437 +	-12,215 +
MX FOB Korea (\$/MT)	130 +	228 +	-19 +	-81 +
Yen/mt	14,165 +	24,800 +	-2,059 +	-8,837 +
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

	PX	
Mar	CFR NEA	1,086
Apr	CFR NEA	1,089

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○ Benzene

Benzene prices on an FOB Korea basis on Thursday moved up \$15/mt from the previous day to \$567-573/mt for second-half February loading and \$582-587/mt for March loading, bolstered by a rise in benchmark feedstock crude prices. Bids for March loading were heard at \$582/mt and offers for April loading were heard at \$590/mt. In discussions

linked to market quotations, deals for March loading were done at a premium of \$1/mt to FOB Korea quotations for February. On a CFR China basis, bids and offers were heard in the range of \$605-610/mt for March delivery.

China domestic prices increased Yuan 75/mt to Yuan 4,850-4,900/mt.

○ Styrene Monomer

Styrene monomer (SM) prices on an FOB Korea basis for February and first-half March loading strengthened \$20/mt to \$1,035-1,045/mt and \$1,045-1,055/mt respectively. On a CFR China basis, prices for February and first-half March delivery climbed \$20/mt \$1,075-1,085/mt and \$1,085-1,095/mt respectively. China domestic prices rose Yuan 100/mt to Yuan 8,500-8,550/mt. As feedstock benzene and ethylene prices were firm

and SM facility maintenance in Korea was concentrated from March onwards, supply was perceived to be tight. As a result, buying interest increased, pushing up the markets. In the China domestic market, spot cargoes were discussed at Yuan 8,500-8,550/mt. On a CFR China basis, bids for March delivery at \$1,085/mt met with offers at \$1,095/mt. In paper trade, a deal for March delivery was concluded at \$1,095/mt.

○ Toluene

Toluene prices on an FOB Korea basis on Thursday increased \$15/mt to \$605-615/mt for second-half February and March loading,

supported by a rise in benchmark feedstock crude prices. Bids and offers were cast in the range of \$605-615/mt for March loading.

○ Mixed Xylene

Isomer grade mixed xylene (MX) prices for second-half February and March on Thursday rose by \$12/mt from the previous day to \$640-642/mt on an FOB Korea basis and by \$18/mt to \$669-671/mt on a CFR Taiwan basis due to an increase in

benchmark feedstock crude prices. On an FOB Korea basis, bids for March loading were heard at \$640/mt. On a CFR Taiwan basis, bids for second-half February delivery were heard at \$669/mt. No sellers responded to these bids.

○ Paraxylene

Paraxylene (PX) prices for second-half February on Thursday increased \$6/mt from the previous day to \$1,084-1,086/mt on a CFR Northeast Asia basis and \$1,064-1,066/mt on an FOB Korea basis. Prices for March climbed \$6/mt to \$1,085-1,087/mt on a CFR Northeast Asia basis and \$1,065-1,067/mt on an FOB Korea basis. A sharp rise in PTA futures on the Zhengzhou Commodity Exchange pushed

up the market. On a CFR Northeast Asia basis, deals were done at \$1,086/mt for March delivery and \$1,089/mt for April delivery. For April delivery, a cargo was once traded at \$1,090/mt but the transaction was cancelled after a while. The price spread between February and March delivery was at a contango of \$1/mt. Asian contract prices for February were concluded at \$1,050/mt.

◎ OLEFINS

○ Ethylene

In ethylene markets in Asia on Thursday, CFR Northeast Asia and CFR Southeast Asia prices increased \$75/mt from the previous day to \$1,100-1,150/mt and \$1,000-1,050/mt respectively. FOB Korea prices rose \$75/mt to \$1,080-1,120/mt. The market was boosted by perceptions of tight supply/demand fundamentals.

In Northeast Asia, supply/demand fundamentals remained tight. Availability was limited owing to facility troubles within the region and a maintenance season from March onwards. On the other hand, end-users still showed buying interest. Under this situation, a deal for delivery to Northeast Asia was done at \$1,100/mt. After the deal, sellers offered at \$1,150/mt and sources pointed out possible discussion levels were in the range of \$1,100-1,150/mt. On the other hand, with ethylene prices rising, some players reckoned that some

petrochemical makers might reduce derivative polyethylene production and sell ethylene. Further, more non-regional cargoes might be sold into Asia. Therefore, the market might lack upward momentum going forward. On facilities, the No.2 naphtha cracker owned by Taiwan's Formosa Petrochemical Corporation (FPCC) was operating at low rates as was previously reported. Sources mentioned that the cracker was currently operating at about 90%.

On an FOB Korea basis, one maker had been negotiating with traders on a cargo loading end-February onwards. But after that, the maker withdrew from discussions and a deal was not reached. Sources pointed out that the maker was checking the ethylene market through negotiations and as not really showing strong selling interest.

○ Propylene

In propylene markets in Asia on Thursday, CFR

Northeast Asia prices held steady at \$910-920/mt.

CFR Southeast Asia and FOB Korea prices stayed intact at \$830-840/mt and \$880-900/mt respectively.

In Northeast Asia, offers were heard at \$920-930/mt but no buyers responded. Buyers had completed purchasing before the Lunar New Year and retreated to the sidelines. In Taiwan, CPC Corporation was said to have already restarted its RFCC unit and on-spec propylene was confirmed. Sources reckoned that supply to term customers would recover in February. Consequently, buying interest from Taiwanese end-users for imported cargoes receded. On the other hand, availability of Southeast Asian cargoes was plentiful and market sentiment remained weak.

On an FOB Korea basis, availability from makers was not observed but some traders apparently had room for spot sale. Nevertheless, firm discussions were not heard at the moment.

In Southeast Asia, Thailand's PTTGC reportedly awarded its sell tender closed on Jan 30 but details were unclear. One trader submitted a bid at a single-digit premium to CFR Southeast Asia quotation but did not win the tender. On the other hand, regarding the Indonesian cargoes mentioned on Wednesday, traders mentioned that they were offered by Pertamina via a tender which closed on Jan 31. Results were unknown at present.

○ Butadiene

In butadiene markets in Asia on Thursday, CFR Northeast Asia prices slipped \$5/mt from a day earlier to \$1,120-1,150/mt in view of receding demand. CFR Southeast Asia and FOB Korea prices shed \$5/mt to \$1,070-1,100/mt along with weakness in the CFR Northeast Asia market.

In Northeast Asia, with the Lunar New Year approaching, buying interest from Chinese end-users receded. On the other hand, non-regional supply was ample and market sentiment weakened. Under such circumstances, a cargo for March delivery to Korea was reportedly traded at \$1,120/mt. A trader that was seen to be the seller

pointed out that this was an additional volume for a cargo that was already previously traded and therefore the price was relatively low. For new cargoes, the trader would not sell below \$1,150/mt.

On an FOB Korea and a CFR Southeast Asia basis, few bids and offers were heard and prices tracked movements in the CFR Northeast Asia market.

On an FOB Southeast Asia basis, Thailand's PTTGC was said to have awarded its sell tender closed on Jan 30 but details were sketchy. One trader apparently submitted a bid at a discount of \$130/mt to CFR Northeast Asia quotations but was not awarded.

◎Tender

Olefin Tenders					
Company	Buy/Sell	Quantity	Timing	Close	Price
	Cargo	Basis	Result	Validity	
Rabigh	Sell	9,000	Feb 15-16	4-Feb	
	Propylene	FOB			
PTTGC	Sell	2,000	Mar 4-6	30-Jan	
	C4Raff-1	FOB		30-Jan	
PTTGC	Sell	1,700	Feb 26-Mar 2	30-Jan	
	Butadiene	FOB	Awarded	30-Jan	
PTTGC	Sell	2,350	Mar 5-7	30-Jan	
	Propylene	FOB	Awarded	30-Jan	

PTTGC	Sell	3,500 or 5,000	Feb 23-25	25-Jan	CFR SEA
	Ethylene	FOB	Awarded	25-Jan	Linked Price
PTTGC	Sell	2,350	Feb 2H	24-Jan	CFR SEA
	Propylene	FOB	Awarded	24-Jan	Linked Price
PTTGC	Sell	1,700	Feb 20-24	24-Jan	CFR
	Butadiene	FOB	Awarded	24-Jan	NEA-80s
Quantity mt, Source: Rim survey					

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The CFR China polyolefin market was stable on Thursday. With feedstock ethylene prices increasing, some end-users apparently showed buying interest. But as it was difficult to arrange for transportation in China with the Lunar New Year approaching, such buying interest was limited to only some players. Linear low density polyethylene (LLDPE) Film from India was offered at \$1,040-1,050/mt but possible deal levels were at around \$1,030/mt.

On a CFR Southeast Asia basis, LLDPE Film prices gained \$5/mt from the previous day to \$1,020-1,040/mt while high density polyethylene (HDPE) Film and HDPE Yarn prices increased

\$20/mt to \$1,050-1,100/mt. The price spread with the CFR China market was erased. For LLDPE Film, Middle East cargoes were offered at \$1,040-1,050/mt but deal levels were seen to be at \$1,040/mt as an upper limit. For HDPE Film, deal levels for Middle East cargoes were heard at \$1,050/mt. Deals for Southeast Asian cargoes were seen to be possible at about \$1,100/mt.

For US cargoes, traders reckoned that negotiations on March cargoes would begin in early February. For February cargoes, the sales volume to Asia was limited in view of firm domestic demand in the US.

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Polyvinyl chloride (PVC) prices on a CFR China basis showed no change at \$890-900/mt on Thursday. Talks on February cargoes were finished and it was too early to begin negotiations on March cargoes. As a result, buying interest from end-users was thin. In the US, cargoes loading February were traded at about \$800/mt, higher than the previous

month by \$20/mt. With prices of US cargoes rising, some players reckoned that Asian makers had room to increase their price for March cargoes. On the other hand, since end-users were showing resistance to a price hike in discussions on February cargoes, some players were unsure if end-users would accept a further increase in prices.

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○ Purified Terephthalic Acid / Monoethylene Glycol

Purified terephthalic acid (PTA) prices for cargoes ex-bonded warehouses in China stayed intact at \$775-795/mt. No deals were reported. China domestic prices climbed Yuan 20/mt from the previous day to Yuan 6,500-6,550/mt, lifted by gains in crude prices. Spot cargoes were traded in the range of Yuan 6,500-6,550/mt.

Ethylene glycol (EG) prices on a CFR China basis

strengthened \$8/mt to \$625-630/mt while China domestic prices increased Yuan 100/mt to Yuan 5,100-5,150/mt, bolstered by rising crude prices. On a CFR China basis, a non-regional cargo for March delivery was traded at \$633/mt. The seller was apparently a Japanese trader. Deals, however, were done mainly in the range of \$625-630/mt. In the China domestic market, trades were conducted at



Yuan 5,100-5,150/mt.

◎ OTHERS

○ Naphtha

Open-spec naphtha prices in Asia were in the range of \$507.25-514.75/mt, up \$10.25/mt from a day earlier on firm Brent crude futures.

In Brent crude oil futures trades on the Intercontinental Exchange (ICE) early in the evening in Asia, the Mar contract rose by 70cts/bbl to \$62.00/bbl. Open-spec naphtha prices for H1 Mar arrival were at \$517.75-518.25/mt, H2 Mar arrival at \$514.25-514.75/mt, and H1 Apr arrival at \$507.25-507.75/mt.

On a timing spread, a H1 Mar/H1 Apr spread was in backwardation of \$10.50/mt, widening by \$2.00/mt from a day earlier. A Mar Brent/H1 Mar naphtha spread was at \$53/mt in favor of naphtha, widening by \$6/mt from the previous day.

Early in the evening in Asia, Feb NWE naphtha prices were \$480.00-482.00/mt, up \$9.00/mt from the previous day. Prices for Mar and Apr were at \$480.00-482.00/mt and \$478.25-480.25/mt. A H1 Mar Asia/Feb NWE spread was at \$37/mt in favor of Asia, spreading by \$2/mt from a day earlier.

○ Liquefied Petroleum Gas

In the CFR Far East market on Thursday, propane prices for CFR Japan fell due to receding buying interest. On the other hand, tight supply/demand for cargoes of non-US origin sent CFR China prices higher.

CFR Japan

Propane and butane prices for second-half February delivery declined by \$4/mt and \$2/mt from the previous day to \$440-450/mt and \$510-511/mt respectively. Relative to the February CP, the premium for propane shrank by \$4/mt to flat to \$10/mt and that for butane also decreased by \$2/mt to \$40-41/mt.

Propane prices for March delivery fell by \$3/mt from the previous day to \$440-450/mt while butane prices rose by \$4/mt to \$502-503/mt. Relative to the March CP, the premium for propane and butane was down by \$9/mt and \$2/mt to \$8-18/mt and \$40-41/mt respectively.

○ US Summary

WTI crude futures on the NYMEX extended gains on Wednesday. The front-month March contract ended at \$54.23 per barrel (bbl), up 92cts from the previous day. The contract hit the highest level in two months. The contract was \$1.21 higher than one week ago.

According to weekly inventory data released by the US Energy Information Administration (EIA) on Wednesday, US crude oil inventories increased from the previous day, but the size of the build was 900,000 bbl, notably smaller than market expectations. In addition, gasoline inventories decreased 2.20 mil bbl from the previous week, contrary to market expectations. The data eased domestic oversupply concerns, which triggered buying in the crude oil market.

The US government announced Monday that it would impose sanctions on Venezuela's state-run oil firm PDVSA. The announcement raised worries that end-user countries other than US would also refrain from importing Venezuelan crudes and global supply/demand fundamentals would tighten further. This was also regarded as a bullish factor.

North Sea Brent crude futures on the ICE also advanced. The March contract ended at \$61.65/bbl, up 33cts from the previous day. The contract was 51cts higher than one week ago.

The March natural gas contract on NYMEX closed at \$2.854 per million British thermal units (mmBtu) on Wednesday, down 4.9cts from the previous day amid selling tied to an expected drop in heating gas demand



as weather forecasts stated that temperatures would be above seasonal norms from next week in the US Northeast, prime gas consuming area.

The March WTI contract was at \$54.48/bbl as of 17:00 Tokyo time on Thursday, up 25cts/bbl from the closing price on Wednesday.

In the US benzene market on a Delivered Duty Paid (DDP) basis on Wednesday, discussions for February, March and April were at 188-192cts/gal, 194-196cts/gal and 197-199cts/gal respectively. In Europe on a CIF Amsterdam, Rotterdam, Antwerp (ARA) basis on the same day, discussions for February and March were at about \$570/mt and \$585/mt respectively.

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○Japan December chemical industry statistics: METI

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○Shandong Independent 28 refineries crude throughput, unchanged from last week

The average crude throughput for 28 independent refiners in Shandong region, China, surveyed on weekly basis by Rim Intelligence was 288,600 metric tons per day (mt/d) on Wednesday, showing no change from last week. The figure equates to a utilization rate of about 60.4% of the sampled capacity, remaining steady from last week. Throughput for crude and fuel oil was 183,100mt/d, maintaining from last week. Coming into Chinese New Year holidays, the operation of refineries was stabilized.

○Taiwan crude throughput at 980,000 b/d, up 3.2% from last week

Combined crude throughput at oil refiners in Taiwan was at 980,000 barrels per day (b/d) on Thursday, increased 3.2% from last week. The current figure equates to a utilization rate of 89.9% of its total refining capacity of 1.09 mil b/d. Formosa Petrochemicals Corp (FPCC) maintained its crude throughput to 500,000b/d. The company would be planning its crude throughput to 520,000b/d on average in February. CPC Corp raised its crude throughput to 480,000b/d. The 80,000b/d Residue Fluid Catalytic Cracking (RFCC) unit at the 350,000b/d Daling refinery which had ceased due to trouble resumed the operation in last weekend.



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