



Polyolefins

☆RIM POLYOLEFINS INTELLIGENCE DAILY

★No.2902 Jul 30 2019

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

◎RECX-22 index

RECX-22 index for Tuesday was 93.91, down 0.24 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:

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Lineup:

Bunker Oil	Crude/Condensate	Products	
LPG	Petrochemicals	Polyolefins	
LNG	South Asia Gas (Weekly)	Daily Data	Rim Data File

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©Olefins (\$/MT)			
	CFR N. E. Asia	CFR S. E. Asia	FOB Korea
Ethylene	+ 860/ 900 +	+ 770/ 810 +	+ 860/ 900 +
Propylene	950/ 980	870/ 900	900/ 930
Butadiene	1, 140/1, 180	1, 090/1, 130	1, 090/1, 130

©China Domestic (Yuan/MT)	
	East China
Propylene	- 7, 700/ 7, 800 -
Propylene (Shandong)*	+ 7, 900/ 7, 950
Butadiene	+ 9, 300/ 9, 400 +
SBR	10, 150/10, 250
BR	10, 300/10, 400

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

©Polymers (\$/MT)				
	CFR China	CFR S. E. Asia	China Domestic*	USD^
LDPE (Film)	990/1, 010	1, 010/1, 030	8, 350/8, 450	1, 014
LLDPE (Film)	910/ 930	930/ 950	7, 800/7, 850	944 -
HDPE (Film)	980/1, 020	980/1, 020	8, 650/8, 750	1, 050
HDPE (Yarn)	980/1, 020	980/1, 020	8, 900/9, 000	1, 080 -
PP (Homo) - BOPP	1, 050/1, 070	1, 080/1, 100	—	—
PP (Homo) - Yarn/INJ	1, 040/1, 060	1, 070/1, 090	8, 700/8, 750	1, 053
PP (Block Co) - INJ	1, 060/1, 080	1, 090/1, 110	—	—

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

©PVC and Feedstocks (\$/MT)	
	CFR China
PVC	850/860
Ethylene Dichloride	300/320
Vinylchloride Monomer	680/700

©Weekly & Monthly Average**				
	22. Jul - 26. Jul	Jun Ave.	22. Jul - 26. Jul	Jun Ave.
Ethylene	850/ 870	785/ 823	760/ 780	697/ 734
Propylene	962/ 978	902/ 921	882/ 898	822/ 841
Butadiene	1, 108/1, 156	1, 092/1, 123	1, 058/1, 106	1, 042/1, 073
FOB Korea				
Ethylene	850/ 870	751/ 787		
Propylene	916/ 929	871/ 891		
Butadiene	1, 058/1, 106	1, 042/1, 073		
China Domestic*				
Propylene	7, 720/ 7, 820	7, 082/ 7, 153		
Propylene (Shandong)	7, 720/ 7, 800	7, 311/ 7, 387		
Butadiene	9, 140/ 9, 240	8, 482/ 8, 579		
SBR	10, 090/10, 190	10, 611/10, 811		
BR	10, 380/10, 480	11, 258/11, 400		
CFR China				
	22. Jul - 26. Jul	Jun Ave.	CFR S. E. Asia	
			22. Jul - 26. Jul	Jun Ave.
LDPE (Film)	990/1, 010	950/ 990	1, 010/1, 030	989/1, 019
LLDPE (Film)	906/ 928	895/ 925	932/ 950	972/1, 000
HDPE (Film)	978/1, 020	974/1, 013	978/1, 020	998/1, 022



HDPE (Yarn)	978/1,020	969/1,008	978/1,020	1,018/1,042
PP (Homo) – BOPP	1,050/1,066	1,050/1,075	1,080/1,100	1,074/1,094
PP (Homo) – Yarn/INJ	1,036/1,052	1,026/1,055	1,066/1,086	1,054/1,074
PP (Block Co) – INJ	1,060/1,076	1,073/1,098	1,090/1,110	1,093/1,113
China Domestic*				
LDPE (Film)	8,350/8,450	8,074/8,174		
LLDPE (Film)	7,800/7,850	7,589/7,668		
HDPE (Film)	8,650/8,750	8,371/8,471		
HDPE (Yarn)	8,900/9,000	8,821/8,921		
PP (Homo) – Yarn/INJ	8,700/8,750	8,271/8,347		
CFR China				
PVC	850/ 860	866/ 876		
Ethylene Dichloride	300/ 320	377/ 397		
Vinylchloride Monomer	720/ 740	696/ 716		

◎Spread/Olefins (\$/MT)**				
	Ethylene	Propylene	Butadiene	Naphtha
Ethylene	—	-85 +	-280 +	370 +
Propylene	85 -	—	-195	455 -
Butadiene	280 -	195	—	650 -
Naphtha	-370 -	-455 +	-650 +	—

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

◎Spread/Polyolefins & Intermediate VS Feedstocks (\$/MT)**							
LDPE (Film)	102 -	PP/Homo (BOPP)	95	SM	254 -	EDC	55 -
LLDPE (Film)	84 -	PP/Homo (Yarn/INJ)	85	Phenol	-173	VCM	188
HDPE (Film)	85 -	PP/Block Co (INJ)	57	PTA	158 -	PVC	158
				MEG	27 -		

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

**These are reference prices and not price assessments.

◎OLEFINS

○Ethylene

In ethylene markets in Asia on Tuesday, CFR Northeast Asia and FOB Korea prices increased \$20/mt from the previous day to \$860-900/mt. CFR Southeast Asia prices moved up \$20/mt to \$770-810/mt. The market was bolstered by perceptions of tight supply/demand.

On a CFR Northeast Asia basis, buying interest was seen in cargoes to be delivered from the end of August to September. On the other hand, available cargoes were not seen. Under this situation, some market sources saw that supply/demand balance was on a tightening trend. On the supply side,

several naphtha crackers in Southeast Asia and Taiwan were scheduled to undergo maintenance from August onwards. Further, cargoes that were brought to Asia from outside the region, such as the Middle East, were not seen. Available cargoes from Malaysia and Korea were also limited due to recent troubles. On the demand side, the derivative ethylene glycol (EG) market was firm. Buying inquiries from other derivative makers were also strong. Under these circumstances, buying ideas were heard at \$860/mt. Traders showed views that buyers might participate in talks at \$880/mt. On the



other hand, selling ideas were heard above \$900/mt. A deal for the end of August delivery was reportedly done at \$875/mt by last weekend.

On a CFR Southeast Asia basis, firm discussions were not heard. Thailand's PTIGC closed a buy tender on Jul 30 for 3,500-5,000mt to be delivered on

Aug 11-13. Regarding this tender, traders showed views that deals might not be concluded as there were no available cargoes. Apart from this, an Indonesian end-user said that it had procured August delivery cargoes in the form of term cargoes and it did not need to buy cargoes on a spot basis.

○Propylene

In propylene markets in Asia on Tuesday, CFR Northeast Asia prices held steady at \$950-980/mt. CFR Southeast Asia and FOB Korea prices remained unchanged at \$870-900/mt and \$900-930/mt respectively.

In Northeast Asia, amid limited availability, both sellers and buyers showed no hurry to engage in trade and activity was subdued. Talks were expected to be no September cargoes going forward but supply was perceived to be tight as propylene facilities in Taiwan and Southeast Asia would enter maintenance. Further, although several new facilities in China were expected to start up, operating conditions were uncertain and supply/demand might not necessary loosen.

In the China domestic market, East China prices slid Yuan 200/mt from the previous day to Yuan

7,700-7,800/mt as derivative prices could not catch up with propylene prices and buying interest receded. Shandong prices rose Yuan 50/mt to Yuan 7,900-7,950/mt. Market sentiment strengthened as the operating rate of Tianjin Bohai's propane dehydrogenation (PDH) plant was said to have dropped by half.

In Japan, a new polypropylene facility was expected to start trial operations in second-half August. This generated views that propylene supply/demand in Japan might tighten.

In Southeast Asia, propylene supply appeared to be tight due to facility maintenance and buying interest was strong. One trader mentioned that some end-users might be willing to pay higher than current market levels but firm bids were not heard.

○Butadiene

In butadiene markets in Asia on Tuesday, CFR Northeast Asia prices were stable at \$1,140-1,180/mt. CFR Southeast Asia and FOB Korea prices showed no change at \$1,090-1,130/mt.

In Northeast Asia, availability was not seen and firm discussions were not heard. One trader mentioned that buyers might be willing to pay \$1,150/mt for prompt cargoes for August delivery but for September delivery, buying ideas were at \$1,050-1,100/mt. But amid tight supply, no deals were reported and prices remained at similar levels to the previous day. Last week, a cargo for second-half September delivery was apparently sold into Korea at \$1,120-1,130/mt. Of the 6,000mt

sold, 1,000mt were said to have been traded on a spot basis.

In the China domestic market, East China prices climbed Yuan 100/mt from the day before to Yuan 9,300-9,400/mt. Sailboat Petrochemical's methanol-to-olefin (MTO) unit was shut down and Sinopec's butadiene inventories were low. As a result, supply was perceived to be tight. Under such circumstances, selling ideas on a delivered basis rose to Yuan 9,800/mt and deal levels were heard at Yuan 9,500-9,600/mt, equivalent to Yuan 9,300-9,400/mt on an ex-tank basis.

In Southeast Asia, spot demand was seen but talks were slow to progress as availability was thin.

©Operating Status

2019 Olefin Production Unit Maintenance/Startup Schedule					
Country	Producer	Capacity	Start	Finish/Duration	Status
JAPAN	MITSUI CHEMICAL	612	3-Jul	3-Aug	Planned
CHINA	LUXI CHEMICAL(MTO)	120	23-Jul		Startup
KOREA	HANWHA TOTAL	1095	26-Jul	3days	Restarted
KOREA	HANWHA TOTAL	310	7-Aug		Expanded Part
CHINA	SAILBOAT CHEMICAL	380	End Jul	10 days	Unplanned
INDONESIA	CHANDR ASRI	600	1-Aug	45 days	Planned
TAIWAN	FPCC NO.2	1035	15-Aug	30-Sep	Planned
MALAYSIA	PETRONAS CHEMICALS	600	Mid Aug	50 days	Planned

Capacity as Ethylene '0000mt/year, PDH and RFCC as Propylene Source: Rim survey

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The CFR China polyolefin market held steady on Tuesday. Although recent weakness in polyolefin futures on the Dalian Commodity Exchange generated bearish sentiment, prices remained at similar levels to the previous day. For Middle East cargoes, sources reckoned that deals were possible at \$910-930/mt for linear low density polyethylene

(LLDPE) Film and \$980-990/mt for high density polyethylene (HDPE) Film.

On a CFR Southeast Asia basis, prices were stable. For delivery to Vietnam, one polyolefin maker sold LLDPE Film at \$950/mt and received buying interest for HDPE Film at \$980/mt.

©PVC and RAW MATERIALS

Polyvinyl chloride (PVC) prices on a CFR China basis were unchanged at \$850-860/mt on Tuesday. Many sellers had finished sales of planned volumes of August cargoes and availability was not seen. As a result, no fresh talks were heard.

For delivery to India, as reported, buying interest for August cargoes was strong. One reason was that PVC exports from Brazil, where production had declined, to India was reduced. A Northeast Asian seller would carry out additional sales soon, as was

reported on Jul 25. Although the seller had finished selling planned volumes of August cargoes, it could sell a small quantity of additional cargoes in view of strong demand from end-users but the price was expected to be higher than August cargoes that were already sold. Further, several sources felt that the market for September cargoes might rise since demand was likely to increase after the monsoon season.

©Market News

○Japan June chemical industry statistics: METI

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○Japan June Petrochemical export/import: MOF

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