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Platts

ASIAN PETROCHEMICALSCAN

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AROMATICS ($/mt)

	FOB Korea	CFR Taiwan	CFR SE Asia	CFR India	CFR China	China Domestic^
Benzene	728.50–729.50*	745.00–747.00*	726.50–727.50 FOB*		747.50–748.50	
H1 Aug	727.00–729.00		-2			
H2 Aug	727.00–729.00		-2		747.00–749.00	
H1 Sep	729.00–731.00		-2		747.00–749.00	
H2 Sep	729.00–731.00				747.00–749.00	
H1 Oct	728.00–730.00				744.00–746.00	
Benzene Paper Swaps:						
Bal month Jul	NA–NA					
Aug	728.00–730.00					
Sep	727.00–729.00					
Oct	727.00–729.00					
Toluene	602.50–604.50 FOB*	627.00–629.00**	642.00–644.00**	662.00–664.00	607.50–608.50** 610.50–611.50++	4969–4971**
H1 Aug	597.00–599.00		604.00–606.00 FOB*		605.00–607.00** 608.00–610.00++	
H2 Aug	597.00–599.00				605.00–607.00** 608.00–610.00++	
H1 Sep	608.00–610.00				609.00–611.00** 612.00–614.00++	
H2 Sep	608.00–610.00				609.00–611.00** 612.00–614.00++	
H1 Oct	609.00–611.00				609.00–611.00** 612.00–614.00++	
SOL–MX	514.00–516.00**	–	579.00–581.00 CFR**	–	549.00–551.00++	
ISO–MX	638.50–639.50#	657.00–658.00***				
H1 Aug	637.00–639.00	657.00–659.00				
H2 Aug	637.00–639.00	657.00–659.00				
H1 Sep	639.00–641.00	656.00–658.00				
H2 Sep	639.00–641.00	656.00–658.00				
OX	694.00–696.00**		679.00–681.00 CFR**	689.00–691.00**	714.00–716.00**	
PX	788.67–790.67*	806.67–808.67+	800.00–802.00+		–	
H1 Aug	784.00–786.00	802.00–804.00				
H2 Aug	784.00–786.00	802.00–804.00				
H1 Sep	791.00–793.00	809.00–811.00				
H2 Sep	791.00–793.00	809.00–811.00				
H1 Oct	800.00–802.00	818.00–820.00				
Styrene	1140.50–1141.50 *	1159.00–1161.00	1197.50–1198.50 CFR**	1192.50–1193.50**	1163.00–1164.00++	9610–9630
H1 Aug	1155.00–1157.00				1176.00–1178.00	
H2 Aug	1155.00–1157.00				1176.00–1178.00	
H1 Sep	1125.00–1127.00				1149.00–1151.00	
H2 Sep	1125.00–1127.00				1149.00–1151.00	
H1 Oct	1112.00–1114.00				1136.00–1138.00	
Methanol	289.00–291.00 CFR	280.00–282.00	281.00–283.00 CFR	242.00–244.00	280.00–282.00**	2449–2451*
Methanol CP CFR Asia (JUL)	320.00					
MTBE	616.00–618.00 FOB Singapore		MTBE factor: 1.193	–		

Weekly Averages

Benzene	723.10–724.10	FOB Korea	SM	1155.60–1156.60	FOB Korea
Benzene	742.30–743.30	CFR China	SM	1176.60–1178.60	CFR Taiwan
Benzene	721.10–722.10	FOB SEA	SM	1180.90–1181.90	CFR China
Toluene	602.70–604.70	FOB Korea	SM	9744–9764**	China Domestic^
Toluene	608.10–609.10**	CFR China	Methanol	283.80–285.80	CFR China
Toluene	611.10–612.10++	CFR China	Methanol	283.20–285.20	CFR SE ASIA
Toluene	4997–4999**	China Domestic^	Methanol	2485.00–2487.00	China Domestic^
PX	778.27–780.27	FOB Korea	MTBE	599.30–601.30	FOB Singapore
PX	796.27–798.27	CFR Taiwan/China	MTBE factor	1.191	
Iso–MX	629.50–630.50	FOB Korea	Naphtha (Jul 21)	438.00–438.50	CFR Japan
Iso–MX	647.10–648.10	CFR Taiwan			

*LC at sight, **LC 0-30 days, ***0-30 days for Asia origin cargoes and 0-60 days for deep-sea origin cargoes. +LC 30-45, #LC 30 days, ++LC 90 days. Note: Paraxylene CFR assessments are basis CFR Taiwan/China. Styrene CFR assessments are basis CFR Taiwan/China. Credit differentials calculated using 1 month LIBOR +1.5%. No balance-month assessments from 16th of each month. PTA CFR China assessments reflect Friday's MOC assessment. ^in Yuan/mt

OLEFINS ($/mt)

	FOB Korea	CFR Taiwan	CFR SE Asia	FOB Japan	CFR China	CFR NE Asia
Ethylene**	924–926		874–876			969–971
Propylene**	854–856	899–901	769–771	839–841	874–876	
Butadiene**	909–911	969–971	909–911		959–961	

Weekly Averages

	Monday	Tuesday	Wednesday	Thursday	Friday	Weekly Average
Ethylene CFR NE Asia	954–956	969–971	969–971	969–971	969–971	966.00–968.00
Ethylene CFR SE Asia	864–866	874–876	874–876	874–876	874–876	872.00–874.00
Propylene FOB Korea	845–847	864–866	858–860	856–858	854–856	855.40–857.40
Propylene CFR China	859–861	878–880	874–876	874–876	874–876	871.80–873.80
Butadiene CFR China	1009–1011	1009–1011	1009–1011	1009–1011	959–961	999.00–1001.00
Butadiene FOB Korea	964–966	964–966	964–966	964–966	909–911	953.00–955.00

**LC 0–30 days, +LC 30–45, #LC 30 days, ++LC 90 days. Credit differentials calculated using 1 month LIBOR +1.5%.

FIBER INTERMEDIATES ($/mt)

	CFR SE Asia	CFR India	CFR China	China Domestic^
PTA	672–674	679–681	651–653	5215–5235
MEG++	847–849		844–846	

Weekly Averages

	Monday	Tuesday	Wednesday	Thursday	Friday	Weekly Average
PTA CFR China	646–648	650–652	650–652	651–653	651–653	649.60–651.60
PTA China Domestic^	5430–5450	5400–5420	5390–5410	5275–5295	5215–5235	5342.00–5362.00
MEG CFR China	854–856	854–856	854–856	851–853	844–846	851.40–853.40
MEG China Domestic^	7315–7335	7340–7360	7355–7375	7200–7220	7190–7210	7280.00–7300.00

^in Yuan/mt

Benzene

- **Increase in Chinese demand supports sentiments**
- **Premiums stable in Taiwan, SEA**

Asian benzene rose $6-$7/mt from last Friday on the back of firmer Chinese demand seen later this week. FOB Korea prices were stable throughout the week, but had risen on Thursday due to firmer buying interests from China. Market participants were mainly on sidelines throughout the week, as buyers and sellers were both unwilling to present firm indications amid the lack of clear directions in the market. On demand side, buyers continued hold on to lower indications earlier this week due to lower China domestic prices, and sufficient cargoes available in the market. Thin trades were thus heard as sellers similarly held back for higher prices, as they expected Chinese downstream demand to rebound. Market prices had increased Thursday after several Chinese buyers had emerged for September-delivered cargoes, with tradeable indications heard at $745-$748/mt CFR China. Firm discussions continued Friday, with CFR China negotiations continuously heard at $745-$750/mt. However, prices could not increase further as Chinese demand had not fully recovered. The majority of the Chinese end-users were not urgent for cargoes as they were covered for August requirements, and it was still early for September discussions. Also, East China main ports inventory level had continued to rise week on week, with levels heard at 120,000 mt, up 6,200 mt from last Friday. East China prices were largely at Yuan 6,050-6,100/mt this week, but had increased slightly to Yuan 6,080-6,150/mt Friday, on the back of higher CFR based prices. Firm demand in the Chinese market had also supported sentiments in the FOB Korea market, as increased trading activities had pushed up September and October FOB Korea levels to around $727-$733/mt Friday. In Southeast Asia, thin regional discussions persisted on sufficient cargoes available in Singapore. Although fewer sell-tenders were heard recently, buyers were not in any urgency as they had sufficient term volumes and continuous offers from other regions. Premiums for August-loading cargoes were heard at around minus $1/mt to flat to the FOB Korea assessment, or at around plus $12-$15/mt CFR basis for August-delivery cargoes. In Taiwan, market was similarly quiet, with August discussions largely concluded. Based on the last August buy-tender, market premiums were heard stable at plus $17-$18/mt to the FOB Korea assessment.

Rationale

FOB Korea benzene was assessed at $729/mt Friday, up $2/mt from Thursday. The marker takes the average of the third and fourth half-month laycans, H2 August and H1 September. Offscreen during the Platts Market On Close assessment process, September was offered at $735/mt, against no open bids. Based on the best bid received before the MOC process at $727/mt, both September laycans were assessed at $730/mt. Both August laycans were assessed at $728/mt, based on the August/September spread last assessed at minus $2/mt. The CFR China marker inched up $2/mt over the same period to be assessed at $748/mt Friday. September firm discussions were heard at $745-$750/mt Friday. The above rationale applies to the following market data code: "PHASM05".

Bids/offers/trades

MOC Bids/offers/trades:
MOC deal Summary: -None
MOC Outstanding Interest:
MOC bids: -None
MOC offers: -None
Exclusions: No MOC market data was excluded from the July 21, 2017 assessment process

Toluene

- E China inventories rises but S China falls
- TDP spreads still positive

Demand remained sluggish in the week to Friday, with Chinese market participants largely out of the market. The rise in inventories in East China exerted downward pressure on domestic prices, resulting in lackluster interest for imported cargoes. East China inventories stood at 93,000 mt, up 16.25% week on week, while South China inventories fell 16.67% to 10,000 mt on Friday. The weak Chinese market arising from thin buying interest in downstream solvents and gasoline blending sectors saw Chinese sellers cutting prices in a bid to spur demand. The domestic prices of 99.5%-purity cargoes were assessed on Friday at Yuan 4,970/mt, or $604.88/mt on an import parity basis, down Yuan 10/mt day on day. The CFR China marker was assessed on Friday at $611/mt, up $2/mt day on day on firmer bids, and down $4/mt from the previous week. In the FOB Korea market, TDP spreads remained positive, at above $150/mt, and most TDP units were heard to be running at full capacity. The FOB Korea marker was assessed at $603.50/mt, up $2/mt from Thursday and up $4.50/mt from the previous week. Elsewhere in Asia, buying interest for toluene remained lackluster in Taiwan, with several solvent manufactures turning to competitively priced ethyl acetate in place of toluene, a market source said, though this could not be confirmed. The CFR Taiwan marker was assessed at $628/mt on Friday, up $1/mt week on week. In the Southeast Asia market, demand was stable, with small pockets of buying interest heard in Indonesia and Vietnam. The FOB Southeast Asia and CFR Southeast Asia markers were assessed up $4/mt week on week, in line with a stronger FOB Korea market. In the India market, some market sources said that demand improved slightly but overall buying interest was stable, the CFR India marker was assessed up $6/mt at $663/mt.

Rationale

The FOB Korea marker was assessed at $603.50/mt FOB Korea on Friday, up $2/mt from Thursday. The marker takes the average of the third and fourth half-month laycans, currently H2 August and H1 September. Offscreen during the Platts market on Close assessment process, a H2 August bid was heard at $590/mt FOB Korea, against no offers. H2 August was assessed at $598/mt FOB Korea, above the bid. September was best bid at $608/mt FOB Korea, against no offers. September was assessed at $ 609/mt FOB Korea, above the bid. A September bid was heard at $612/mt CFR China. September was assessed at $613/mt CFR China, while August was assessed at $609/mt CFR China. The CFR China marker was assessed at $611/mt, up $2/mt day on day.

Solvent - MX

- Chinese buyers turn to iso-MX, mixed aromatics
- S Korean cargoes head to SE Asia

Solvent-grade mixed xylenes on Friday was assessed $10/mt lower week on week at $550/mt CFR China. No bids were heard from China, where demand almost came to a standstill this week, as importers continued to await clarity on a planned consumption tax on mixed

POLYMERS ($/mt)

	CFR Far East	CFR SE Asia	CFR S Asia
PVC SUSP	889–891	869–871	949–951
LDPE G–P	1129–1131	1159–1161	
LLDPE Butene	1069–1071	1089–1091	1099–1101
LLDPE Metallocene C6	1179–1181	1199–1201	1209–1211
HDPE YARN	1099–1101	1119–1121	
HDPE INJ	1019–1021	1039–1041	1059–1061
HDPE BLMDG	1059–1061	1079–1081	1099–1101
HDPE FILM	1079–1081	1099–1101	1109–1111
PP RAFFIA	999–1001	1059–1061	1099–1101
PP INJECTION	999–1001	1059–1061	1099–1101
IPP FILM	1019–1021	1079–1081	1119–1121
BOPP	1009–1011	1079–1081	1119–1121
BLOCK COPOL	1049–1051	1109–1111	1149–1151
PS G–P	1299–1301	1304–1306	
HIPS	1379–1381	1394–1396	
ABS INJ	1799–1801	1809–1811	

For PVC, PS, ABS and C6 mLLDPE, FE Asia refers to China. All polymer assessments are basis L/C 0–30 days. Credit differentials calculated using 1 month LIBOR +1.5%.

CHINA DOMESTIC (Yuan/mt ex–works)

LDPE	9430–9470
LLDPE	9130–9170
HDPE FILM	9230–9270
PP RAFFIA	8080–8120
PVC ethylene-based	6890–6910
PVC carbide-based	6590–6610

WEEKLY AVERAGES (CFR FE Asia)

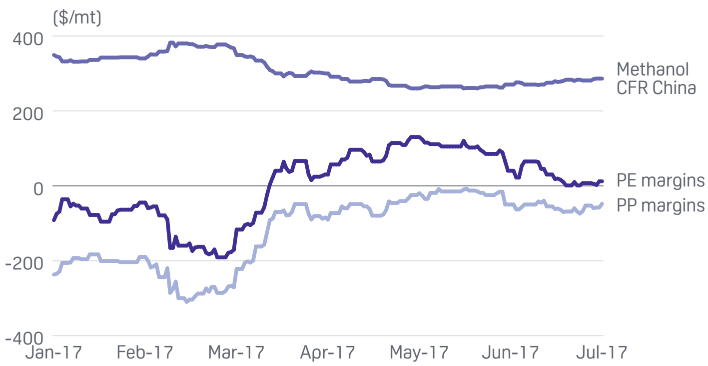
HDPE	1077.00–1079.00
LDPE	1121.00–1123.00
LLDPE	1057.00–1059.00
PP RAFFIA	991.00–993.00
PP INJECTION	991.00–993.00

WEEKLY AVERAGES (FOB Middle East)

HDPE	1058.00–1060.00
LDPE	1102.00–1104.00
LLDPE	1038.00–1040.00
PP RAFFIA	972.00–974.00
PP INJECTION	972.00–974.00

Note: Weekly polymer assessments are made each Wednesday for Far East Asia, SE Asia, and W Asia. In addition, weekly averages of the daily PE and PP Far East assessments are published each Friday and represent the average of the assessments from previous Thursday through Wednesday.

CHINA'S MTO JULY MARGINS DETERIORATE AS METHANOL FEEDSTOCK PRICES INCREASE



Source: Platts

aromatics. Chinese importers do not know yet if the consumption tax will also be imposed on solvent-MX, or just on mixed aromatics. This also led Chinese buyers to substitute solvent-MX with domestic off-spec isomer-MX and mixed aromatics, as the off-spec grade's prices were heard to be more competitive and not subjected to consumption tax. Operating rates at downstream paint factories in central and southern China stood at 50%-60%, as many factories had to undergo environmental checks, a market source said. Most cargoes heading to China are heard to be of Japanese, Thai and Taiwanese origin, replacing the usual South Korean parcels that were currently being sold into Southeast Asia — where margins were better than China, sources said. In South Korea, spot trades were extremely thin with most participants citing no activity. Recent spot supply has also been reduced due to cracking of LPG which reduced pygas output, and hence solvent-MX output.

Rationale

Solvent-MX was assessed lower by $15/mt week on week at $515/mt FOB Korea Friday, amid weak demand and thin activity. Some discussions were heard at $510-$530/mt FOB Korea while a few participants thought this number was workable, considering the freight cost of $35/mt from South Korea to China, and a lack of firm bids and offers. Solvent-MX was assessed at $550/mt CFR China on Friday, below a sell indication above $600/mt CFR China. Another major participant put discussions at $550/mt CFR China. Southeast Asia was assessed at $580/mt CFR, stable from last week and below an offer at $600/mt CFR.

Paraxylene

- **September trades at $810/mt**
- **Sabic awards Aug tender at $740/mt FOB**

Ending a week that saw the downstream market crash more than 3% on the week, Asian paraxylene prices inched up $2/mt Friday to $789.67/mt FOB Korea and $807.67/mt CFR Taiwan/China, strengthened by an uptick in buying sentiment on the back of a firmer upstream market. With naphtha firming $4.38/mt over the same period, offers registered on the Platts Market on Close assessment process hovered well above the afternoon peg level, amid indications of a rising crude market. This was in spite of headwinds from the downstream, with September PTA futures, which settle on the Zhengzhou Commodities Exchange, falling for the fourth consecutive day in afternoon trading, plunging Yuan 120/mt to Yuan 5,246/mt at afternoon close, a fall of more than 2% from the midnight close of the previous day, after the recent bull run in the futures market. Four spot deals were recorded on the MOC process this week, all for September, with a trade on Friday done at $810/mt CFR, where AFCO sold cargo to Glencore. The other deals for September over the week were at $791/mt, $807/mt, and $808/mt CFR. In market news, a source close to India's Reliance Industries Ltd. confirmed that the company would be restarting the reformer at the 1.8 million mt/year PX plant in "two-three days" time after having shut it in early-July. The PX output at the plant has remained stable over this period, with the company purchasing mixed xylenes feedstock from the spot market. In market news, Saudi Basic Industries Corp., or Sabic, was heard to have awarded a sell tender for H2 August-loading cargo, 15,000 mt in volume, at $740/mt

CHINA TOLUENE, MX, STYRENE INVENTORY LEVELS

Product	Inventory level (mt)	Prior week(mt)	Change on week(%)
East China:			
Toluene	93000	80000	16.25
Mixed Xylenes	70000	50000	40.00
Styrene	55500	55000	0.91
South China:			
Toluene	10000	12000	-16.67
Mixed Xylenes	10000	17000	-41.18
Styrene	6200	6200	0.00

ASIAN AROMATICS SHIPPING ROUTES

Spot freight to/from Korea & USGC

From: To:	Korea 2-3kt	Korea 5kt	USGC 5-12kt
Korea			47-52 (SM, PX,MX)
Taiwan	23-26 (BTX, SM)	17-20 (PX)	47-52 (PX, MX)
East China	21-24 (BTX, SM)	16-19 (PX)	49-54 (SM, PX,OX)
South China	24-27 (SM, Tol)	21-24 (PX)	49-54 (PX)
India	49-52 (Tol)		
USGC	34-39 (10kt Bz, Tol)		

Spot freight from Southeast Asia

From: To:	Pasir Gudang 3kt	Map Ta Phut 3kt	Indonesia 3kt
Singapore	15-18 (Bz)	24-26 (Bz)	23-26 (Bz)
Indonesia	23-26 (Tol)		
East China			37-40 (SM)
Korea			37-40 (Bz)
Taiwan		27-32(Tol)	
India	38-42 (OX)	45-50 (OX)	
Al-Jubail			60-65 (Bz)

Spot freight from Middle East

From: To:	Middle East 2-3kt	Middle East 5-7kt
Singapore	33-43 (SM, MTBE)	
Korea		47-52 (PX)
Taiwan	53-55 (SM)	
East China	57-59 (SM, OX)	
South China	53-55 (SM)	
India	32-37 (SM, OX)	
Southeast Asia		33-38 (PX)

Spot freight from India

From: To:	India 3kt	India 5-7kt	India 10kt
Singapore	37-42 (Bz)		
Indonesia		30-35 (PX)	
East China	47-52 (OX)	40-45 (PX)	36-40 (PX)
South China/Taiwan			35-39 (PX)
Pakistan		15-18 (PX)	
Middle East		20-24 (Bz)	

*Key: BTX = Bz, Tol, xylenes (OX, MX, solvent-MX); Bz = benzene, Tol = toluene, SM = styrene monomer, MX = isomer-mixed xylenes, PX = paraxylene, OX = orthoxylene, Sol-MX = solvent-mixed xylenes, MTBE = methyl tertiary-butyl ether

*Please refer to the methodology guide for details on port locations on FOB Yanbu basis, market traders said Friday. Week on week, the PX-naphtha spread fell $11/mt to $369.42/mt.

Rationale

Asian PX was assessed $2/mt higher at $789.67/mt FOB Korea and $807.67/mt CFR Taiwan/China Friday. The markers take the average of the H2 August, and H1 and H2 September laycans. The H1 and H2 September laycans were assessed at $810/mt, at the level of a deal with Glencore Singapore booking AFCO's offer for September cargo. The contango between the H2 August/H1 September laycans narrowed $1.50/mt to $7/mt with the H2 August laycan, assessed at $803/mt CFR, amid higher demand for prompt cargo in the H2 August laycan. The above rationale applies to the following market data codes: "PHASS05" for FOB Korea and "AAQNE00" for CFR Taiwan/China.

Bids/offers/trades

MOC deal Summary:
PX: D1) Any Sep TRADED at $810/mt CFR TND, 5kt, LC 30/45/60 days (MR) - AFCO TO GLENCORE
MOC Outstanding Interest:
MOC bids: - None
MOC offers: - None
Exclusions: No MOC market data was excluded from the July 21, 2017 assessment process

Isomer - MX

- **Paraxylene up $2/mt on day**
- **PTA up $7-$9/mt on week**

Asian isomer-grade mixed xylene was assessed up $4/mt day on day at $639/mt FOB Korea and $657.50/mt CFR Taiwan Thursday, tracking firmer downstream markets. Paraxylene rose $2/mt over the same period to $789.67/mt FOB Korea and $807.67/mt CFR Taiwan, with PTA echoing the same uptrend, increasing $7/mt week on week to $652/mt. "Supply can be increased, while demand is still there as the PX spread is good," said a Southeast Asian trader Friday. The PX-MX spreads remained healthy at $161-$171/mt over the week. In upstream markets, the Mean of Platts Japan naphtha benchmark was up $4.38/mt day on day at $438.25/mt Friday. In China, domestic isomer-MX prices was heard at Yuan 5,120-5,130/mt, or about $624/mt on an import parity basis, significantly cheaper than imported cargo.

Rationale

Isomer-MX was assessed up $4/mt day on day at $639/mt FOB Korea and $657.50/mt CFR Taiwan Friday. The marker currently takes the average of the H2 August and H1 September laycans. Offscreen during the Platts Market on Close assessment process, a H2 August bid was seen at $628/mt FOB Korea, and an any September bid heard at $630/mt, against no offers. Prices were assessed above the bids, with H2 August assessed at $638/mt FOB Korea and H2 September at $640/mt FOB Korea, maintaining the contango at $2/mt from the day before. On a CFR Taiwan basis, H2 August was assessed at $658/mt, above a bid of $657/mt, and H1 September was assessed at $657/mt, keeping the backwardation structure at $1/mt. The location spread between the CFR Taiwan and FOB Korea markers was maintained at $18.50/mt from the day before.The above rationale applies to the following market data code: PHAUV00 for FOB Korea and PHAUT00 for CFR Taiwan.

FOREIGN EXCHANGE RATES

AUD/USD	0.79/0.79
EUR/USD	1.17/1.17
GBP/USD	1.30/1.30
USD/JPY	111.73/111.76
USD/HKD	7.81/7.81
USD/MYR	4.28/4.29
USD/SGD	1.36/1.36
USD/YUAN	6.7415

CONTRACT PRICES ($/mt)

Paraxylene		
PX average CP settlements (Jul)	775	CFR Asia
ExxonMobil	775	CFR Asia
Idemitsu	775	CFR Asia
JX Nippon	775	CFR Asia
S-Oil	775	CFR Asia
SKGC	775	CFR Asia
PX producer CP nominations (July)		
ExxonMobil	775	CFR Asia
Idemitsu	780	CFR Asia
JX Nippon	810	CFR Asia
S-Oil	775	CFR Asia
SKGC	800	CFR Asia
Sinopec CP nomination (July):	808	
Sinopec CP settlement (June):	792	
Sinopec CP nomination (July):	Yuan 6500	
Sinopec CP settlement (June):	Yuan 6450	
Benzene		
JX Nippon nomination (Jul):	770	
JX Nippon settlement (Jul):	750	
MEG		
Producer CP nominations (AUGUST)		
MEGlobal	980	CFR Asia
Sabic	980	CFR Asia
Shell	990	CFR Asia

Orthoxylene

- **CFR China rises $15/mt on tight supply**
- **India's domestic demand seen stable**

Asian orthoxylene prices moved in different directions this week. The FOB Korea was assessed down $22/mt week on week at $695/mt, while the CFR China marker was assessed up $15/mt at $715/mt. This reversed the situation of the past few weeks when the FOB Korea marker was assessed above the CFR China marker due to an arbitrage window to Europe emerging amid tighter supply. But "demand from Europe is starting to weaken now," a market source said. The FOB ARA OX marker was last assessed at $800/mt Thursday, down $22/mt week on week, as more supply became available in Europe. In China, domestic prices were heard around Yuan 6,000/mt, according to sources. East China inventory levels were estimated at 50,000 mt Friday, largely stable from 50,000-55,000 mt heard last week. "Supply is slightly tight and downstream demand is good," said a buyer. Phthalic anhydride, a key derivative of OX, was last assessed at $850/

mt CFR China Thursday, stable from a week before. In India, domestic OX demand was heard to be healthy. The CFR India marker was assessed at $690/mt Friday, up $5/mt from last week. "The goods and services tax is good for demand," said a market source. In Southeast Asia, little trading activity was heard. The CFR Southeast Asia marker was assessed at $680/mt Friday, down $5/mt week on week.

Rationale

OX was assessed up $15/mt week on week at $715/mt CFR China Friday, based on a tradable indication heard at $710-$720/mt. The FOB Korea marker was assessed down $22/mt week on week at $695/mt, based on an offer heard at $710-$720/mt, and considering the drop in the FOB ARA prices in Europe. The CFR India marker was assessed up $5/mt week on week at $690/mt, tracking the rise in the CFR China marker. The CFR Southeast Asia marker was assessed down $5/mt at 680/mt, based on tradable indications heard at $670-$700/mt from industry sources.

Styrene

- **Feedstock benzene rise $2/mt on day**
- **Domestic China marker falls Yuan 70/mt on day**

Asian styrene monomer prices fell for a fourth consecutive day on Friday, amid lower discussions and the August-September backwardation continuing to widen with slowing in interest for September cargoes, amid a bearish outlook on styrene for the third quarter, according to market sources. Offscreen during the Platts Market on Close assessment process, an offer for 2,000 mt August-loading cargo was heard at $1,178/mt CFR China, LC 90 days basis, which did not attract any bid. Separately, an offscreen bid for 2,000 mt August-loading cargo was heard at $1,155/mt FOB Korea, which did not attract any offer. August-September cargo swaps were also actively discussed throughout the day. Offscreen during the MOC process, a buy-August sell-September swap bid was heard at plus $29/mt FOB Korea, which did not attract any offers. The domestic China marker fell Yuan 70/mt day on day to Yuan 9,620/mt Friday, which is around $1,183/mt on an import parity basis. Upstream, feedstock benzene was assessed at $729/mt FOB Korea Friday, up $2/mt day on day. In industry news, Japan's styrene output fell 5% month on month to 154,800 mt for June, according to the latest data from the Japan Petrochemical Industry Association on Friday. In plant news, Kuwait's Equate Petrochemical Co. has restarted its ethane cracker and 450,000 mt/year styrene plant at Shuaiba, following an unplanned outage on July 8. Meanwhile, in the European market, Ellba has lifted force majeure on supplies from its propylene oxide SM plant at Moerdijk in the Netherlands to Shell Chemicals Europe, a Shell spokesman said Thursday. The POSM unit was shut on June 27 "because of an unexpected failure of one of the reboilers in the plant," S&P Global Platts reported previously.

Rationale

The CFR China SM marker was assessed down $13/mt on the day at $1,163.50/mt Friday. The CFR China and FOB Korea markers currently take into account the average of H2 August and H1 September laycans. Offscreen during the MOC process, an offer for 2,000 mt August-loading cargo was heard at $1,178/mt CFR China, LC 90 days basis, not attracting any bid. H2 August was assessed at $1,177/mt CFR China, below the offer. H1 September was assessed at peg of $1,150/mt CFR China, widening the August-September backwardation to $27/mt. Separately, an offscreen bid for 2,000 mt August-loading cargo was heard at $1,155/mt FOB Korea, not attracting any offer. H2 August was assessed at $1,156/mt FOB Korea, above the bid. H1 September was assessed at peg of $1,126/mt FOB Korea, widening the August-September backwardation to $30/mt. A swap bid between August and September was heard at plus $29/mt FOB Korea, not attracting any offer. FOB Korea was assessed at $1,141/mt Friday, down $12.50/mt day on day.

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Platts to revise SM standard operational procedures

S&P Global Platts has decided to revise the Styrene Monomer standard operational procedures for FOB Korea, CFR China and CFR Taiwan assessments, effective August 17, 2017. Below are the new standard operational procedures: FOB Korea: Buyer to declare half-month of loading on the 15th calendar day of the month prior to the month of loading. If the 15th of the month falls on a weekend or a holiday then, the half-month declaration will occur on the nearest business day prior to that weekend or holiday. Seller to declare load port on the 16th of the month for H1 loading in the next month and on the last day of previous month for H2 loading. If the 16th of the month or the last day of the month falls on a weekend, load port declaration will be done on the nearest business day prior to the 16th or the last day of the month. Buyer and seller mutually agree narrowing to a feasible 5-day maximum loading laycan. Buyer to nominate vessel 10 days maximum prior to the first day of the laycan. CFR China/CFR Taiwan: Buyer declares discharge port any time before opening L/C. Seller nominates the vessel 10 days prior to the first date of laycan. The changes will affect PCA codes: AAMFL00, PHASV03, AAMFN00, AAMFI00, AAMFK00, AAVMA04, PHACB00, PHBHE03, AAOSY00, PCA pages 215, 340 and the Asia Petrochemical Scan. Please send any feedback or questions to petchems@spglobal.com and pricemethodology@spglobal.com. For written comments, please provide a clear indication if comments are not intended for publication by Platts for public viewing. Platts will consider all comments received and will make those not marked as confidential available upon request.

Methanol

- **China domestic price falls by Yuan 10/mt**
- **Rises $2/mt in Southeast Asia**

Methanol was unchanged week on week at $281/mt CFR China Friday, following a dramatic week which saw the domestic spot price rise to Yuan 2,500/mt Thursday before falling to Yuan 2,450/mt Friday, down Yuan 10/mt week on week. CFR China assessment rose to a weekly high of $286/mt on Wednesday before falling on Friday. The September methanol futures contract traded on the Zhengzhou Commodity Exchange also rose to Yuan 2,535/mt on Thursday before falling to 2,496/mt by Friday close. Traders said the price spike was driven by sentiment, not supply and demand. The CFR Southeast Asia marker was assessed up $2/mt week on week at $282/mt, below an offer heard at $283/mt. End-users preparing for August negotiations estimated the tradeable level in Southeast Asia at $280-282/mt Friday. The CFR India marker was assessed up $1/mt week on week at $243/mt on bids for a CFR cargo at $230-242/mt. West coast methanol inventory was estimated at about 100,000 mt, a trader said, adding that buying activity was low this week. "Transactions continue to be slow due to GST-related disruptions, especially in downstream sectors like formaldehyde. the monsoons are in full swing now, which is also slowing [buying activity]," he said.

Rationale

The CFR China methanol marker was assessed unchanged week on week at $281/mt CFR China Friday between a buying indication heard at $280/mt and selling ideas at $285-290/mt. The China domestic price edged down Yuan 10/mt week on week to Yuan 2,450/mt Friday. The CFR Southeast Asia marker rose $2/mt week on week and was assessed at $282/mt, between a selling indication at $283-285/mt CFR SEA and a tradeable indication heard at $280-283/mt CFR SEA. The CFR Korea marker was assessed down $3/mt week on week at $290/mt, with a buying idea heard at $275/mt and a tradeable indication at $285-290/mt. The CFR Taiwan marker rose $1/mt week on week to $281/mt with the CFR Taiwan-CFR China spread based on freight differential from the Middle East heard at $0-5/mt. The CFR India marker was assessed up $1/mt week on week at $243/mt CFR India Friday, taking into account a tradeable indication heard at $243-245/mt for an Iranian cargo, and bids at $230-242/mt.

MTBE

- **FOB Singapore markers surge $38/mt on week**
- **MTBE factor stable at 1.193**

Asian MTBE prices rose $5/mt day on day and $38/mt week on week to $617/mt Friday, hitting a seven-week high. The FOB Singapore MTBE marker was last higher on June 1, at $627/mt. Crude oil futures remained stable Friday as the market awaited fresh data and the outcome of a weekend OPEC monitoring committee meeting for price direction. Front-month September ICE Brent crude futures fell 17 cents/b day on day to $49.58/b at 4:30 pm Singapore time (0830 GMT) Friday. Benchmark 92 RON gasoline prices rose $0.52/b higher to $61.23/b Friday. The MTBE factor, which measures the ratio between the daily assessments for FOB Singapore MTBE and 92 RON gasoline, was unchanged at 1.193 Friday. The 92 RON crack to front-month ICE Brent futures extended its recent rise Friday, by 69 cents/b day on day to $11.65/b at Asian close. The crack was last higher on April 21, at $11.91/b. The Asian gasoline market continued its uptrend Friday, with the backwardation in 92 RON gasoline swaps seen widening. Demand remained sluggish from China this week, with market participants largely out of the market. The weak Chinese market arising from thin buying interest in downstream solvents and gasoline blending sectors saw Chinese sellers cutting prices in a bid to spur demand. Domestic Chinese MTBE prices were heard stable at Yuan 4,850-4,900/mt in East China and Yuan 4,950-5,000/mt in South China Friday. Inter-octane gasoline spreads edged narrower day on day: the 97/92 RON spread was at $3.71/b, down 16 cents/b; the 95/92 RON spread was at $2.57/b, down 13 cents/b; and the 97/95 RON spread was at $1.14/b, down 3 cents/b. Meanwhile, the reforming spread between benchmark FOB Singapore Naphtha assessment and 92 RON edged 1 cents/b higher to $14.24/b Friday.

Rationale

MTBE was assessed at $617/mt FOB Singapore Friday, up $5/mt day on day, on rising gasoline prices. The MTBE factor was stable at 1.193 over the same period. Both August laycans were assessed at $617/mt. No bids or offers were registered during the Platts Market on Close assessment process. The above rationale applies to the following market data code: "PHALF11".

Bids/offers/trades

MOC Bids/offers/trades:
MOC deal Summary: None
MOC Outstanding Interest:
MOC bids: None
MOC offers: None
Exclusions: No MOC market data was excluded from the July 21, 2017 assessment process.

Ethylene

- **S Korea cracker runs normalizing**
- **Healthy demand covered by deepsea supplies**

The Asian ethylene market was stable day on day Friday. From a week earlier, spot prices marked a $10-$15/mt price increase. The sentiment in the Asian ethylene market firmed earlier this week, following an unplanned outage on Monday at South Korea's Hanwha Total's 1 million mt/year steam cracker in Daesan following a lightning strike. The cracker was restarted earlier this week and the operating rates would likely hit 100% over this weekend, according to sources close to the company Friday. Spot ethylene demand, which emerged just after the shutdown news, faded by the end of this week, due to a relatively quick restart of the steam cracker. Previously, some market participants were predicting that the cracker would be shut down for at least a week. On Friday, the operations of LG Chem's steam cracker in Yeosu, South Korea, were disrupted following a minor power cut. But the operations were restored quickly, according to sources close to the matter. Asia's ethylene supplies are seen to be increasing, in line with persisting influx of deepsea cargoes from the West. According to a shipping report, an ethylene cargo is due to be loaded for early-August from Terneuzen to Asia, while an ethylene/butadiene combined cargo is due to be loaded in Jubail to Southeast Asia for July 24-26. Nonetheless, the Asian ethylene market managed to remain stable on Friday due to healthy demand from end-users amid positive production margins. Production margins for styrene monomer and monoethylene glycol are particularly strong currently. Styrene production margin has been at aound plus $150-$170/mt, while MEG margin was at around plus $120/mt. Some sellers said such end-users were able to buy a spot cargo at $1,000/mt CFR. A market source said such healthy ethylene demand would be covered by additional deepsea supplies, which made the Asian ethylene market balanced for the near-term. In turnaround news, South Korea's LG Chem plans to shut its 1 million mt/year steam cracker at Yeosu in Q4 2018 for annual maintenance and its steam cracker at Daesan in Q2 2019 for debottlenecking, a company source said Friday. The ethylene production capacity at Daesan will be expanded to 1.27 million mt/year from 1 million mt/year currently.

Rationale

Ethylene was assessed unchanged day on day at $970/mt CFR Northeast Asia and $875/mt CFR Southeast Asia Friday. A market level on a CFR Northeast Asia basis was heard in a range of $970-$980/mt, while no bids and offers were heard on a CFR Southeast Asia basis Friday.

MEG

- **Reliance to start new 750,000 mt/year MEG plant**
- **E China inventories down 30,000 mt to 502,000 mt**

Asian monoethylene glycol prices slid $5/mt week on week to $845/mt CFR China and $848/mt CFR Southeast Asia on Friday, amid volatile futures and a week of hectic active trading. Early this week, prices continued the bull run seen the week prior, as traders traded up prompt physical cargoes for H1 August loading as well as physical positions daily, pushing the marker up $5/mt to $855/mt CFR China. Market participants were heard to be bullish on strong downstream demand and falling inventories at East Chinese ports, which had plunged 35,000 mt to 502,000 mt. However, on Thursday, prices started to fall as trading slowed and market players turned bearish on news that inventories would rise next week on incoming vessels with an abundance of MEG cargoes. As a result, spot prices of MEG fell $10/mt to $845/mt CFR China from Wednesday till Friday. Meanwhile, Chinese domestic MEG prices remained unchanges at Yuan 7,200/mt at Friday's close on active trading, although prices rose and fell throughout the week. Downstream polyethylene terephthalate bottle grade rose $15/mt to $960/mt FOB Northeast Asia this Tuesday, on the back of stronger market fundamentals and seasonal demand. Feedstock ethylene rose $15/mt week on week to $970/mt CFR Northeast Asia on Friday, while ICE July Brent crude oil futures inched up 17 cents/b/d day on day to $49.58/b/d at the 0830 GMT close of Asian trade on Friday. Also, the three major MEG ACP sellers in Asia — MEGlobal, Saudi Basic Industries Corp. and Shell — have nominated their August Asia Contract Prices for MEG. Shell nominated its August ACP for MEG at $990/mt CFR Asia, up $30/mt from July, while MEGlobal nominated its August ACP at $980/mt CFR Asia, up $70/mt from July, while Sabic nominated its August ACP at $980/mt CFR Asia, up $30/mt from July. In plant news, India's Reliance Industries Ltd. will start operations at its new 750,000 mt/year MEG plant in Jamnagar, Gujarat, on August 1, a company source said on Thursday. "These new upcoming supplies will not have much impact on market balance," the source said. "The India market is short of MEG, and with some upcoming downstream expansions expected in Q2 2018, the increased supply will be consumed and MEG imports might even increase," the source added.

Rationale

Asian MEG was assessed at $845/mt, down $5/mt week on week and down $7/mt day on day. The assessment was in line with tradable indications heard at $845/mt CFR China on Friday. Domestic East China price was assessed at Yuan 7,200/mt, unchanged week on week. The CFR Southeast Asia marker was assessed down $5/mt to $848/mt, tracking the CFR China marker.

Propylene

- **China's PP demand seen to strengthen in August**
- **Hanwha Total restarts Daesan steam cracker**

Propylene prices rose across Northeast Asia this week amid a pickup demand. The FOB Korea marker rose $10/mt week on week to $855/mt, CFR China rose $16/mt to $875/mt and CFR Taiwan rose $50/mt to $900/mt. Market sources in Taiwan said prices there surged on the back of upcoming turnarounds. "We are preparing for turnarounds in August and September," said an end-user source. Taiwan's Formosa Petrochemical Corp. will shut its No. 3 naphtha-fed steam cracker in Mailiao from August 15 for annual maintenance. The unit, which is capable of producing 600,000 mt/year of propylene, will close for 40 days. CPC could shut its 80,000 b/d refinery at Talin in early September, which can produce 380,000 mt/year of propylene. The duration of that turnaround has yet to be confirmed. In China, industry participants said polypropylene futures strengthened this week. "Propylene prices will go up moving forward," said a regional producer. PP CFR China was assessed at $1,010/mt Friday, up $20/mt week on week. However, margins remained slim. Based on an industry standard breakeven cost of $150/mt to convert propylene to PP, propylene would have to be priced below $860/mt. However, many market participants noted that August and September were periods of peak demand in China for PP. In Southeast Asia, the propylene demand-supply balance was heard to be stable, and the CFR Southeast Asia was assessed unchanged week on week at $770/mt. One source noted there was some material headed towards Northeast Asia. In plant news, South Korean Hanwha Total Petrochemical's naphtha-fed steam cracker at Daesan was restarted late Tuesday after a forced shutdown. The cracker is able to produce 600,000 mt/year of propylene.

Rationale

Propylene was assessed up $10/mt week on week at $855/mt FOB Korea Friday on a selling indication heard at $860/mt and a buying indication at $810/mt. The CFR China marker was assessed at $875/mt, up $16/mt week on week, based on a selling indication heard at $900/mt and a buying indication at $870/mt. The CFR Taiwan marker was assessed up $50/mt week on week at $900/mt, based on a selling indication heard at $910/mt and a buying indication at $890/mt. The CFR Southeast Asia marker was assessed flat week on week at $770/mt, based on a tradable indication heard at $770/mt. The FOB Japan marker was assessed at $840/mt, up $17/mt week on week, tracking the rise in the CFR China marker.

Butadiene

- **US, European parcels sold to China, S Korea**
- **No impact from brief cracker outages in S Korea**

Asia butadiene prices fell $50-$55/mt week on week Friday, amid ample availability of spot cargoes, especially from the US and Europe. Also, there were two sell-tenders offered from butadiene producers in Southeast Asia, one for late-July and another for mid-August. For deepssea cargoes, market participants said, about 7,000 mt of US-origin cargoes for August arrival was sold to China (3,000 mt) and South Korea (4,000 mt), with prices stated in the mid-to-high-$900s/mt CFR. The butadiene tenders were heard awarded on a floating basis, with discounts heard as high as $100/mt to the average of CFR Northeast Asian prices. Market participants said a September cargo of European origin was sold to a South Korean buyer. Steam cracker outages in South Korea did not have any impact on the spot market.

On Monday, South Korea's Hanwha Total Petrochemical shut its naphtha-fed steam cracker at Daesan after it was struck by lightning but restarted it on Tuesday and achieved on-spec production on Wednesday. Production is expected to reach 100% of capacity this weekend from about 90% as of Friday. The cracker has a designed production capacity of 1 million mt/year of ethylene, 600,000 mt/year of propylene, and 114,000 mt/year of butadiene. LG Chem resumed normal operations at its Yeosu steam cracker soon after a minor power failure that occurred on Friday afternoon, market sources said, without providing further details. LG Chem operates a 155,000 mt/year butadiene extraction unit at Yeosu.

Rationale

Prices were assessed Friday at $910/mt FOB Korea and $960/mt CFR China, down $55/mt and $50/mt week on week, respectively. August deals were heard concluded at $955-$960/mt CFR China, while tradable indications for CFR Korea were heard at $980/mt.

PVC

- **Indian buyers hesitant to track higher offers**
- **SEA prices fall $15/mt on thin demand**

Asian polyvinyl chloride prices were generally stable over the week, amid on-going discussions for August cargoes. In Southeast Asia, lukewarm demand persisted after the holiday season, as regional end-users were heard to have been fully stocked, amid heavy covering activity last month. Several market sources noted that prices in Southeast Asia were difficult to push up, as end-users were not urgent for cargoes, which resulted in low bids heard at below $850/mt CFR Southeast Asia. In India, offers were heard at $960/mt CFR India this week, following tradeable levels at $950/mt CFR India. Market discussions were heard to have been slower this week, as downstream buyers were hesitant to import more volumes amid uncertainty surrounding the application of the newly implemented GST. However, sellers had no urgency to lower their offers, in expectation that clarity on the new GST policy would surface in approximately one-two months. Another participant added that demand in India would likely rebound soon as local pipeline inventories were low, and tighter regional supply was expected on upcoming turnarounds. In China, domestic prices were stable week on week, with the ethylene-based PVC marker assessed at Yuan 6,900/mt, while carbide-based PVC was unchanged at Yuan 6,600/mt. China prices had surged last week on limited supplies from the US Gulf Coast, and domestic operating rates have been persistently suppressed by strict environmental polices. With lesser Northeast Asian supply, market soures expected the Asian PVC market to remain firm for September discussions.

Rationale

The CFR Southeast Asia marker was assessed down $15/mt from last Wednesday at $870/mt Wednesday, based on tradeable indications across the region heard at $850-$870/mt. The CFR India marker rose $5/mt over the same period to be assessed at $950/mt, reflecting deals done at the level. The CFR China marker was assessed at $890/mt Wednesday, unchanged week on week, based on continuous trades heard done at $890/mt.

LDPE

- **Restocking ahead of peak manufacturing season**
- **Sinopec Zhong Tian to start 2nd CTO plant Jul 26**

Renewed demand has pushed Asian low density polyethylene prices higher by $10/mt in the week to Wednesday. Buying interest appeared to have returned to the market, as converters were now stocking up for the peak manufacturing period in September, said trade sources. In plant news, China's Sinopec Zhong Tian He Chuang Energy plans to start up its second coal-to-olefins plant and associated downstream units on July 26, a company source said. The CTO plant can produce up to 1.8 million mt/year of olefins — ethylene and propylene in equal proportion — and will feed a 350,000 mt/year polypropylene unit constructed last year and a 250,000 mt/year LDPE facility built in May. The CTO plant was originally scheduled to start up in June, but was delayed to early July and now late July. A second 120,000 mt/year LDPE line expected to start up in early August after operational testing — delayed from July, the source said. The company's first CTO plant began operations last September with an olefins nameplate capacity of 1.8 million mt/year.

Rationale

Asian LDPE with a melt flow index of 0.3-4 was assessed higher by $10/mt week on week at $1,130/mt CFR Far East Asia Wednesday. A Qatari-origin cargo was offered at $1,170/mt CFR China. Buying ideas were heard at below $1,105/mt CFR Far East Asia. The CFR Southeast Asia marker was also assessed higher by $10/mt at $1,160/mt on improved buying sentiment, and below an offer at $1,280/mt CFR.

LLDPE

- **mLLDPE outlook not optimistic on oversupply**
- **RIL to start Jamnagar PE plant by end of Q3**

Asian linear low density polyethylene film rose on Wednesday on renewed demand. Buying ideas rose on restocking ahead of the peak manufacturing season in September and a stronger yuan against the dollar making imports cheaper, sources said. Actively traded September LLDPE futures on the Dalian Commodity Exchange rose Yuan 180/mt week on week to settle at Yuan 9,265/mt ex-warehouse on Wednesday. For the metallocene grade, there was a preference for imported material as the quality was better, sources said. Dutiable and non-dutiable material prices were almost similar with buyers refusing to pay more even when the cargoes were exempt from import duty, they added. In plant news, India's Reliance Industries Limited will startup its new Jamnagar polyethylene complex by the third quarter, a company source said. "Production will take about one or two months to stabilize. We don't have any definite date yet as it depends on the cracker, and right now the update [from the steam cracker] is that it's on track," the source added. The new complex consists of a 550,000 mt/year high density polyethylene/LLDPE swing plant and a 400,000 mt/year low density polyethylene unit. The ethane-based PE plants will use refinery off-gas as feedstock. RIL is also building a 1.37 million mt/year steam cracker at the same site.

Rationale

Asian butane-grade LLDPE, with a melt flow index of 1-2, was assessed up $20/mt week on week at $1,070/mt CFR Far East Asia on Wednesday on higher buying ideas. Buying interest could be heard up to $1,090/mt CFR, the import parity of domestic parcels, although participants said $1,070/mt was more tradeable. There were no selling indications. The CFR Southeast Asia marker was assessed up $10/mt week on week at $1,090/mt, below offers at $1,110-1,120/mt CFR. C6 mLLDPE was assessed down $20/mt week on week at $1,180/mt CFR Far East Asia, on offers heard at $1,200/mt CFR China for a non-dutiable Singapore cargo. There was no difference in price for dutiable and non-dutiable cargoes. Buying ideas were heard at $1,175/mt CFR China. mLLDPE was assessed at $1,200/mt CFR Southeast Asia, down $20/mt week on week on a freight differential of $20/mt between China and Southeast Asia.

HDPE

- **Equate restarts PE unit after glitch**
- **Flood of new supply expected in H2 2017 until 2018**

Asian high-density polyethylene film prices were stable to higher this week. Buyers started to return to prepare for a traditional manufacturing season. However, sources were divided over the outlook, with some expecting a price fall with fresh supplies, while others said the producers would usually control the outputs. Sources said with the flood of new gas based PE capacities from US and Iran, totalling 2 million-3 million mt/year to start within the second half of 2017 through to 2018, the greater choice selections would cause the supply security, and product quality to become even more pertinent. In plant news, Kuwait's Equate Petrochemical has restarted its ethane cracker and petrochemical plants at Shuaiba, following an unplanned outage, the company said in a statement on Tuesday. The plants were shut on July 8, following the outage at the ethane cracker, also known as Ethylene Unit 2 or EU2. "Operations at our EU2 have resumed normally in record time following repairs," Equate Group's president and CEO Mohammad Husain said in the statement. "Both the ethylene glycol and PE plants in Kuwait have returned to the usual production levels as they were impacted by the temporary shutdown of EU2," he added. The cracker is able to produce 850,000 mt/year of ethylene. This feeds into an 825,000 mt/year PE facility — which comprises a 300,000 mt/year linear low-density PE plant and a 525,000 mt/year HDPE plant; and a 550,000 mt/year ethylene glycol plant.

Rationale

Film-grade HDPE with a melt flow index of 0.07-0.18 was assessed flat week on week at $1,080/mt CFR Far East Asia, below offers of $1,110-$1,145/mt CFR for South Korean and Thai cargoes. There were no firm bids heard. Prices were assessed up $10/mt at $1,100/mt CFR Southeast Asia Wednesday, based on a Thai-origin cargo offer at $1,120/mt CFR. Film-grade HDPE was also assessed up $10/mt week on week, at $1,110/mt CFR South Asia, amid higher broader market indications. Yarn grade was assessed flat week on week at $1,100/mt CFR Far East Asia, below selling ideas at $1,140/mt CFR China for Indian-origin cargoes. There were no buying ideas heard. Injection grade was assessed flat week on week at $1,020/mt CFR Far East Asia in thin trade. There was an offer for an Iranian-origin cargo at $1,010/mt CFR China, which market participants deemed unrepresentative. Blow-moulding grade was assessed up $20/mt week on week at $1,060/mt CFR Far East Asia, above a bid at $1,040/mt CFR China.

PP

- **China domestic price rises Yuan 150/mt**
- **Inventory level normal ahead of plant startup**

Polypropylene raffia rose $25/mt week on week to $1,000/mt CFR Far East Asia Wednesday amid an uptrend in China domestic prices this week. The China domestic spot price rose Yuan 150/mt week on week to Yuan 8,100/mt, or up about $24/mt to $964/mt on an import parity basis. "Producer inventory is at the normal level right now at about 600,000 mt, but with the startup of our plant and high output from other producers, we will see how well demand keeps up," a Sinopec source said. Producer inventory, which consists of PP and polyethylene in roughly equal proportions, has been slowly drawn down from the high of above 1 million mt in the first quarter, the source added. In plant news, Sinopec Zhong Tian He Chuang Energy plans to start up its coal-to-olefins plant and associated downstream units on July 26, a company source said Tuesday. The CTO plant will feed a 350,000 mt/year PP unit built last year and two low density polyethylene lines with a combined nameplate capacity of 370,000 mt/year, according to the company. The CFR Southeast Asia assessment rose $25/mt week on week to $1,060/mt Wednesday. "End-users do not have enough stocks right now, so they need to buy this week. In the longer term, they still believe China is long on supply so are holding off on large [purchases]," a trader said. The notional FOB China price was above $1,100/mt Wednesday, closing the China to Vietnam export window and further restricting cargo availability in Vietnam, sources said. The CFR South Asia assessment rose $5/mt week on week to $1,100/mt as the market awaited Middle East cargo, which was expected to be officially offered next week, sources said. "Typically the middle of the month is a dry season for Middle East cargo; LyondelBasell and Sabic are not offering August shipments yet this week," a trader said.

Rationale

PP raffia was assessed up $25/mt week on week to $1,000/mt CFR Far East Asia Wednesday, based on tradable indications heard at $1,000/mt and selling indications at $1,020-$1,030/mt. China domestic raffia was assessed up Yuan 150/mt week on week at Yuan 8,100/mt. CFR Southeast Asia raffia rose $25/mt week on week to $1,060/mt, based on deals heard at that level and an offer heard at $1,075-$1,080/mt. CFR South Asia raffia was assessed up $5/mt week on week at $1,100/mt, based on tradable indications heard at the level, a buying indication heard at $1,090/mt, and a selling indication heard at $1,110/mt.

PS

- **Styrene stocks up 400 mt on week**
- **Feedstock styrene down $9/mt on week**

CFR China polystyrene prices on Wednesday were higher by $20-$35/mt from a week ago, depending on the grade. GPPS demand was still better than HIPS, hence GPPS rose $30/mt week on week, while HIPS rose $20/mt during the same period. "Still not good demand for HIPS in the long term," a market paricipant said Wednesday. General-purpose grade EPS rose $35/mt to $1,375/mt FOB Northeast Asia. Styrene stocks in East China were heard estimated at about 52,900 mt, up 400 mt from last week. SM was down $9/mt from a week ago to $1,181/mt CFR China on Wednesday.

Rationale

GPPS was assessed $1300/mt CFR China Wednesday, up $30/mt week on week. That was below the $1,310/mt CFR China offer heard Wednesday. HIPS was assessed $20/mt higher week on week at $1,380/mt CFR China Wednesday. That was below the $1,400/mt CFR China offer heard and in line with the $1,370-$1,380/mt tradable levels heard. GP-grade EPS rose $35/mt over the same period to $1,375/mt FOB Northeast Asia. That is above the $1,370/mt FOB Northeast Asia buy indication for August cargo and below the $1,380/mt FOB Northeast Asia sell indication.

ABS

- **Feedstock styrene falls $9/mt**
- **Views differ on supply situation**

Acrylonitrile-butadiene-styrene was assessed up $10/mt from the previous week at $1,800/mt CFR China Wednesday on bullish sentiment. ABS prices increased despite a decline in feedstock styrene monomer costs, which fell $9/mt over the same period to $1,181/mt CFR China. An offer for ABS was heard at $1,820/mt CFR China this week. Market participants had differing views on supply situation for ABS. One trader said there was limited availability so the fall in SM costs was unlikely to lower prices. "We don't have bargaining power right now, we have to follow [the] supplier," he said. However another buyer considered ABS supply ample, adding opposing views were sentiment driven and producer margins were good. Feedstock butadiene was assessed down $15/mt week on week at $1,010/mt CFR China, while feedstock acrylonitrile was flat week on week at $1,471/mt CFR Far East Asia when it was last assessed last Thursday. Styrene stocks in East China were estimated at 52,900 mt, up 400 mt from last week.

Rationale

ABS was assessed up $10/mt week on week at $1,800/mt CFR China Wednesday, below an offer heard at $1,820/mt CFR China. The CFR Southeast Asia marker was assessed at $1,810/mt, also up $10/mt week on week.

PTA

- **US starts downstream PSY antidumping probe**
- **India demand damped by GST**

Asian purified terephthalic acid was assessed flat day on day but up $7/mt week on week at $652/mt CFR China on Friday, on the back of snug supply on several plant turnarounds totaling more than 900,000 mt/year and higher buying ideas led by healthy paraxylene-PTA margins in China, end-converters said. Actively traded Sep arrival 2017 PTA futures on the Zhengzhou Commodity Exchange decreased Yuan 120/mt day on day and Yuan 144/mt week on week, or to be settled at Yuan 5,246/mt ex-tank by Friday's close. "One-day-trip" offers of domestically produced PTA as imported cargoes, for which the local producers would get a tax refund for the one day of export, were heard at $655-$670/mt CFR China. In India, the situation was mixed, with weak demand as buying slowed due to the unclear GST tax implications. Sellers, however, said demand in India and Southeast Asia was strong, as Chinese producers stopped supply. In other plant news, India's Materials Chemicals and Performance Intermediaries, formerly MCC PTA India, plans to shut its 470,000 mt/year No. 1 PTA plant at Haldia, West Bengal, for two weeks for turnaround in the fourth quarter, a company source said. The company also has an 800,000 mt/year No. 2 PTA plant at the same site, which will continue to run during the maintenance at the No. 1 plant. India's Reliance Industries will shut one of its two PTA production lines in Dahej in Q4 for around two weeks of maintenance, a company source said Thursday. Both lines have a capacity of 1.25 million mt/year. Reliance also has a plant in Hazira, consisting of three lines, with a combined capacity of 1.77 million mt/year. The Hazira plant will continue to operate normally while the Dahej line undergoes maintenance, the source said. The company is intending to shut the other Dahej line for maintenance, but not this year, probably next year, the source said. The US has begun antidumping investigations into imports of low-melt polyester staple fiber from South Korea and Taiwan, the Department of Commerce said earlier this week. The alleged dumping margins were estimated at 39.24%-52.23% for South Korea and 28.47%-73.21% for Taiwan. A petition from Nan Ya Plastics Corp. America was filed on June 27 and investigations began on July 17, DOC said. The International Trade Commission is scheduled to make its preliminary determinations on or before August 11, it added. If the ITC findings are positive, DOC will continue the investigation and announce its decision on December 4. "If the ITC's determinations are negative, the investigations will be terminated," DOC said. In 2016, imports of low-melt PSF from South Korea were 63,086 mt and 27,243 mt from Taiwan, it added.

Rationale

CFR China was assessed flat day on day and up $7/mt from last Friday at $652/mt on Friday. Buying ideas for cargoes for arrival 15-30 days forward were at $650/mt CFR China for a 1,000-3,000-mt cargo with 90-day letter of credit. Selling ideas were heard at $655/mt CFR China. CFR Southeast Asia was assessed up $7/mt week on week at $673/mt Friday, maintaining the Northeast Asia-Southeast Asia freight differential of $21/mt. There were no bids and offers as most were on contractual basis. India prices were assessed up $9/mt at $680/mt CFR, at discussions at $680-$685/mt CFR.

NEWS

China's Luxi Chemical shuts one NBA line for turnaround: sources

China's Luxi Chemical has shut one of its 100,000 mt/year normal butyl alcohol units at its oxo-alcohols plant in Liaocheng, Shandong province, industry sources said Thursday. The line was shut for a planned maintenance which will last for about a month, the sources added. The company did not immediately respond when approached by S&P Global Platts for comment. Luxi Chemical also has another 100,000 mt /year NBA unit at the same location. The shutdown is expected to have an impact on short-term supply and demand in both domestic and international markets. Week-on-week, NBA prices spiked Yuan 1,000/mt to Yuan 7,800/mt this week, equivalent to $925/mt CFR China on an import parity basis, due to short supply with healthy demand.

Taiwan VCM to shut Linyuan plant from late Aug for maintenance

Taiwan VCM plans to shut its 420,000 mt/year vinyl chloride monomer plant in Linyuan from late August for an annual maintenance, a company source said Thursday. The plant is scheduled for restart around the middle of September, the source added.

India's MCPI plans to shut 470,000 mt/year PTA plant in Q4

India's Materials Chemicals and Performance Intermediaries, formerly MCC PTA India, plans to shut its 470,000 mt/year No. 1 purified terephthalic acid plant at Haldia, West Bengal, in the fourth quarter, a company source said Thursday. The turnaround at the plant will last for two weeks, the source said. The company also has an 800,000 mt/year No. 2 PTA plant at the same site, which will continue to run during the maintenance at the No. 1 plant.

India's Reliance to shut one Dahej PTA line for maintenance in Q4

India's Reliance Industries will shut one of its two purified terephthalate production lines in Dahej in the fourth quarter for around two weeks for maintenance, a company source said Thursday. Both lines have a capacity of 1.25 million mt/year. Reliance also has a plant in Hazira, consisting of three lines, with a total capacity of 1.77 million mt/year. The Hazira plant will continue to operate normally while the Dahej line undergoes maintenance, the source said. "We are intending to shut the other Dahej line for maintenance, but not this year, probably next year," the source said.

S Korean Hanwha Total's Daesan steam cracker hit by lightning

South Korean Hanwha Total Petrochemical's naphtha-fed steam cracker at Daesan was struck by lightning around mid-day local time Monday, a company spokesman said. The company had shut the cracker and associated downstream units at its Daesan petrochemical complex, including the 400,000 mt/year No. 1 styrene monomer plant and 114,000 mt/year butadiene production unit. The cracker is able to produce 1 million mt/year of ethylene and 600,000 mt/year of propylene. The cracker resumed operations late Tuesday. Sources close to the company say there has been minimal impact on the paraxylene and benzene production.

China's Sinopec Zhong Tian He Chuang to start 2nd CTO plant in July

China's Sinopec Zhong Tian He Chuang Energy plans to startup its coal-to-olefins plant and associated downstream units on July 26, a company source said Tuesday. The CTO plant can produce up to 1.8 million mt/year of olefins — ethylene and propylene in equal proportion — and will feed a 350,000 mt/year polypropylene unit constructed last year and a 250,000 mt/year low density polyethylene facility built in May. The CTO plant was originally scheduled to startup in June, but was delayed to early July and now late July. A second 120,000 mt/year LDPE line expected to startup early August after operational testing, delayed from July the source said. The first CTO began operations last September with an olefins nameplate capacity of 1.8 million mt/year. Sinopec Zhong Tian He Chuang Energy is a joint venture between Sinopec and China Coal Group. "Producer inventory [for olefins] is at the normal level right now at about 600,000 mt, but with the startup of our plant and high output from other producers, we will see how well demand keeps up," the source said.

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