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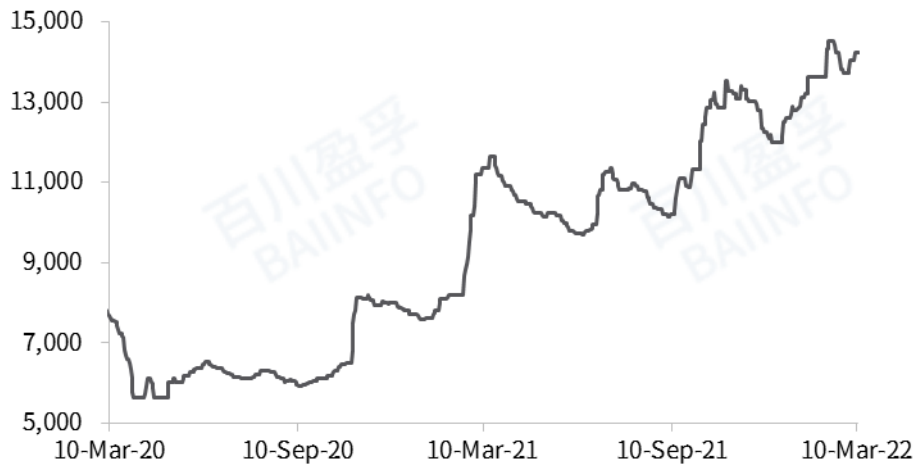
➤ Market Overview

Domestic adipic acid market price went upside. Reference market offers were at RMB 14,200/T, edging up over last week. This week, adipic acid market stayed stagnant. Suppliers extended strong intention to keep the prices firm under cost pressure. Market offers were in chaos, and partial market players followed price uptrend with the concerns of losses. Some middlemen surrendered profits to sell for the purpose of clearing the inventory. Resources were sufficient. Negotiable prices of adipic acid market remained low.

Adipic Acid Price Changes (RMB/T)

This Week	Average Price (This Week)	Last Week	Average Price (Last Week)	MoM	QoQ	Year-to-date
14,200	14,150	14,000	13,800	2.07	15.92%	11.81%

Adipic Acid Average Market Price (RMB/T)



On cost side, pure benzene price was pushed up constantly this week, and nitric acid price ran weakly. Hence, adipic acid market got strong support from cost side. Adipic acid enterprises raised operation rate this week, increasing market supply. However, the trading performance stayed flat, accumulating the inventory at manufacturers. Downstream players took goods cautiously, and they showed weak intention to stockpile goods. Nonetheless, adipic acid market kept firm supported by high cost. As of Mar. 10, market prices in all regions were listed below: Mainstream negotiable prices were around RMB 14,100-14,300/T in East China, around RMB 14,000-14,200/T in South China, and around RMB 14,000-14,200/T in North China.

➤ Forecast

Next week, adipic acid market may move range-bound. Supply and production are predicted to keep stable. However, demand side may be improved in a slow rate. Price adjustment of adipic

acid market is expected to stay around RMB 100-300/T. Pure benzene price, downstream demand and list prices and settlement prices at adipic acid manufacturers need further attention.

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Upstream Market

Nitric Acid

➤ Market Overview

This week (Mar. 4-10, 2022), trading price of concentrated nitric acid dropped. Average price of concentrated nitric acid on Mar. 10 was at RMB 2,096/T, down 0.57% WoW. As concentrated nitric acid prices at individual enterprises that shut down previously stayed high, these enterprises re-priced after resumption, dragging down domestic average price of concentrated nitric acid. This week, demand for concentrated nitric acid was not improved. Many downstream enterprises shut down or overhauled, thus the demand for concentrated nitric acid was tepid. Nitric acid enterprises held selling pressure without support of large-sized orders. Mainstream nitric acid price didn't change hugely, stabilizing the offers. Trading prices were negotiable, and mainstream price was around RMB 1,900-2,000/T.

➤ Demand

In Gansu, downstream plants are predicted to resume production in May or beyond, which may restrain the sales of nitric acid in Gansu and Ningxia. Demand for nitric acid in North China was suppressed by the NPC to some extent. Generally, short-term demand was hard to increase.

➤ Forecast

The weak supply-demand pattern of nitric acid market is hard to improve in the short term. Nitric acid price may not change largely. However, cost side fluctuates, which may influence the repricing of nitric acid in some regions. Short-term nitric acid price may continue to adjust slightly, with price adjustment around RMB 50-100/T. The market is likely to perform better in late Mar. or in Apr.

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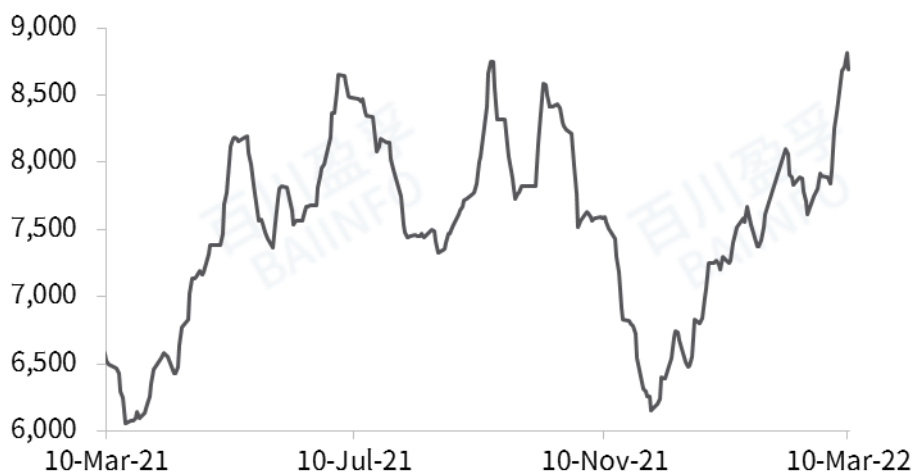
Pure Benzene

➤ Market Overview

This week (Mar. 4-10, 2022), domestic pure benzene market kept firm. As of Mar. 10, mainstream market trading price in East China was at RMB 8,615/T, up 2.56% WoW. Downstream styrene market was driven up sharply by crude oil market, thus pure benzene market kept firm in strong condition. As pure benzene enterprises and downstream plants held high inventory of raw materials and many downstream devices shut down or reduced production, trading performance of spot cargoes was ordinary. In Shandong, mainstream market price of pure benzene was raised. Downstream plants performed actively in taking goods. Closing to the weekend, crude oil price

plunged, driving down styrene price. Therefore, pure benzene price followed price downtrend. Market players held watching mood.

Pure Benzene Average Market Price (RMB/T)



➤ Forecast

Generally, crude oil price shows uncertainties, but it still supports pure benzene price. Partial pure benzene devices may shut down. Next week, mainstream market price of pure benzene is predicted to hover around RMB 8,400-8,800/T.

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Downstream Market

Polyester Polyol

➤ Market Overview

Domestic polyester polyol market moved range-bound. Adipic acid and BDO prices kept firm so that cost side strongly supported the market. Traders raised offers, and some of them surrendered profits to facilitate trade. Market price was pushed up. Buyers took goods on rigid demand so that downstream market stayed lukewarm. Polyester polyol market was full of watching mood. Trading price of polyester polyol market ran in strong condition. As of Mar. 10, reference prices of polyester polyol (AA/BG) were around RMB 26,000-26,500/T, of polyester polyol (AA/EG) were around RMB 16,000-17,000/T, and of polyester polyol (AA/BG/EG) were around RMB 20,500-21,500/T.

➤ Forecast

Information from supply side is limited, while demand side is hard to improve. Actual orders to follow up need further attention. Short-term domestic polyester polyol market may move range-bound with the contradictions between supply and demand.

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PU Resin Sizing Agent

➤ Market Overview

This week, PU resin sizing agent market went down weakly. Feedstock price ran at high level, thus cost side brought pressure. In addition, the devices at main plants operated stably, but terminal players were resistant to the high price of PU resin sizing agent. Actual orders were seldom seen. Trading price of PU resin sizing agent declined slightly with both bullish and bearish factors. As of Mar. 10, in East China, reference price of PU resin sizing agent (wet process) was around RMB 18,000-18,300/T, while reference delivery price of PU resin sizing agent (dry process) was around RMB 18,500-18,800/T, by acceptance.

➤ Forecast

Support from cost side still exists. However, downstream demand is released limitedly. Short-term PU resin sizing agent market is expected to consolidate at high level with both bullish and bearish factors.

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Polyurethane Sole Raw Liquor

➤ Market Overview

Domestic polyurethane sole raw liquor market held stability. On cost side, prices of BDO, adipic acid and pure MDI hovered in strong condition. Partial devices that overhauled were resetting. Supply side still supported polyurethane sole raw liquor market. Manufacturers were strongly reluctant to sell, and the overall offers stayed at high-end. However, downstream demand didn't improve largely. Downstream players mostly followed contracts under cost pressure. Individual small-sized orders of spot cargoes were signed, with the trading price adjusting slightly. Cost side kept firm. As market demand was tepid, trading orders were made stably, and shipment at manufacturers was ordinary. Hence, polyurethane sole raw liquor price stabilized this week. As for the raw materials, reference prices of general solution A and solution B were around RMB 14,600-15,600/T and RMB 22,600-26,600/T respectively. Market price stayed firm, and actual price of orders was negotiable.

Polyurethane Sole Raw Liquor Price Change in East China (RMB/T)

This Week	Last Week	Change
21,000	21,000	-

➤ Forecast

Recently, petroleum price runs strongly at high level. Feedstock prices of many petrochemical products oscillate in strong condition, thus cost side provides support to the market. Downstream orders are insufficient to follow up, and buyers purchase on rigid demand amid a stagnant trading market. Polyurethane sole raw liquor market doesn't see bullish factors under the contradictions between supply and demand. Next week, polyurethane sole raw liquor price may extend strong condition.

PA66

➤ Market Overview

This week, domestic PA66 market remained flat. As domestic adipic acid market fluctuated sharply, traders held rising cost and squeezing profits. Thus, PA66 was offered at higher level. PA66 trading market stayed lukewarm. Downstream players accepted the rising price of raw materials limitedly so that PA66 manufacturers didn't deliver goods smoothly. Downstream plants took goods on rigid demand with descending inventory, but they didn't show clear purchasing intention. Partial plants and agents operated stably amid watching mood.

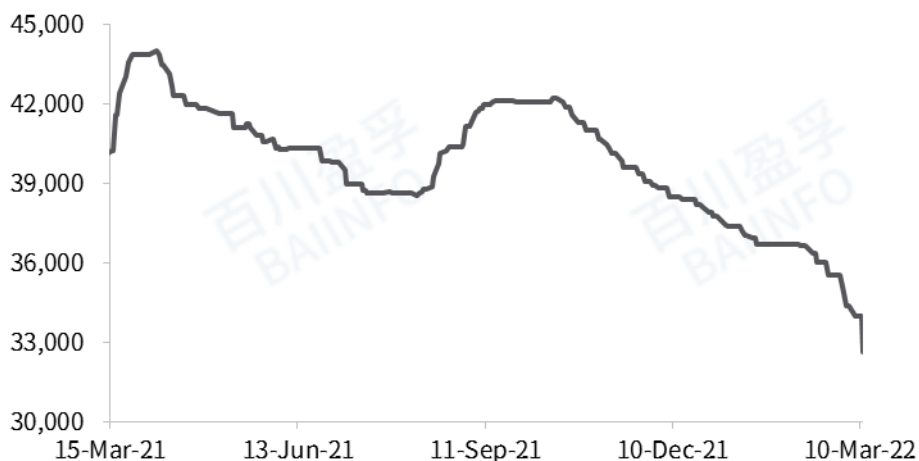
➤ Supply

PA66 plants delivered goods in stable condition to maintain the supply-demand balance.

➤ Forecast

Currently, PA66 price maintains stability. Raw materials are supplied in sufficient quantities. PA66 operation load stays high as a whole. Downstream players take goods on rigid demand. Short-term domestic PA66 market price is predicted to run weakly, with price adjustment around RMB 400-600/T.

PA66 Average Market Price (RMB/T)



TPU

➤ Market Overview

In East China, South China, North China and Shandong, TPU market moved sideways in stability. TPU manufacturers maintained steady production. Partial offers were raised with the support from cost side. Downstream orders were insufficient to follow up. Trading performance of actual orders was acceptable.

➤ **Forecast**

Recently, TPU market is predicted to consolidate mildly.

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Registered office

501A, 5th Floor, Air Service Bld., Building 2, No. 39, Dongzhimenwai Street, Dongcheng District, Beijing, P.R. China

Tel: +86-10-5979 5659-8163

Fax: +86-10-5894 6899

Cell: +86 186 0090 5855 Ms. Monica Li

Email: lxh@baiinfo.com

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