

百川盈孚  
BAIINFO

2023



## Ethylene Oxide (EO) Market Weekly

---

Apr. 13, 2023 / Issue 23-14

CONFIDENTIALITY WARNING: BAIINFO Subscriber shall not distribute, re-sell or disclose the BAIINFO Ethylene Oxide (EO) Market Weekly to any third party without BAIINFO's prior written consent, including but not limited to its parent companies or subsidiaries. Otherwise you will be liable for the consequences of infringement.

CONTENT

Market Review	3
Price Summary	3
Forecast	4
Import & Export Data	4
Upstream & Downstream & Related Markets	5
Crude Oil Market	5
MEG Market	5
Polycarboxylate Superplasticizer Monomer Market	6

## Market Review

This week, ethylene oxide market sustained stability amid watching sentiment. Weekly average price resided at RMB 7,200/T. As of Apr. 13, prices were assessed at RMB 7,200/T in Northeast China, RMB 7,200/T in East China, RMB 7,200/T in North China, RMB 7,200/T in South China, and RMB 7,200/T in Middle China, by instant payment. Feedstock ethylene market kept weakly steady amid strong bearish sentiment, providing weakening cost support for EO market. Many EO producers spontaneously curtailed or stopped production under losses. Currently, downstream demand was limited and terminal demand was soft.

As for supply, many producers under losses spontaneously curbed or suspended production. EO supply shrank and utilization rate was at low level as a whole. Hence, partial producers intended to firm up prices. Although shipments were unsmooth and demand was subdued, producers were still reluctant to make concessions to trading prices.

From the raw materials, feedstock ethylene market kept weakly steady amid strong bearish sentiment, with cost support weak for EO. Specifically, market in Asia held stability. Up to Apr. 12, prices in Northeast and Southeast Asia stood at USD 940/T and USD 960/T, CFR. Domestic market corrected itself. Till Apr. 13, prices in East China inched up and fell back to rest at RMB 7,250/T and those in Shandong ran at RMB 7,600/T.

As for demand, downstream products mainstream prices slid down. Some downstream enterprises cut prices in order to stimulate deals, waiting for inventory consumption. In major downstream polycarboxylate superplasticizer monomer industry, market corrected itself in weak condition. Shipments were stuck and inventories were at high level as a result. Thus, parts of downstream enterprises pared down trading prices to sell cargoes. However, terminal demand remained lukewarm. In this situation, downstream enterprises were resistant to taking cargoes, resulting in weak demand for EO.

[BACK TO THE CONTENT](#)

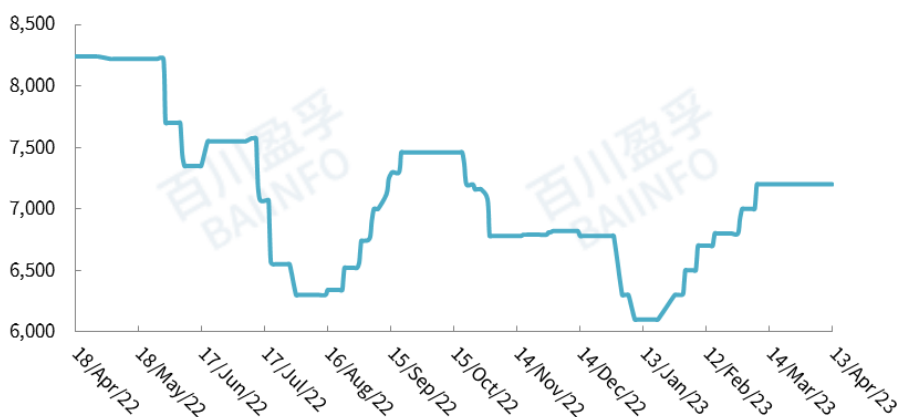
## Price Summary

This week, average price of ethylene oxide was at RMB 7,200/T, keeping flat with last week, keeping flat with last month, up 14.29% YTD.

Ethylene Oxide Price Change (Unit: RMB/T)

	Apr. 13	Week avg.	Apr. 6	Last Week avg.	WoW	MoM	QoQ	YTD
Ethylene Oxide	7,200	7,200	7,200	7,200	0%	0%	18.03%	14.29%

Ethylene Oxide Average Market Price Trend (Unit: RMB/T)



[BACK TO THE CONTENT](#)

## Forecast

Feedstock ethylene market is anticipated to edge down amid stability in short run, with cost support abating for EO. EO is still amply supplied. Downstream products markets hold weakly stable. Terminal demand is sluggish and downstream demand is limited, weighing down EO market to certain extent. With sufficient EO spot supply, downstream enterprises resist purchases, while some producers still desire to bump EO prices up. It is foreseen that short-term EO prices are projected to be largely flat with some downsides. Price assessment is estimated as RMB 6,900-7,000/T.

[BACK TO THE CONTENT](#)

## Import & Export Data

In Feb. 2023, the export volume of ethylene oxide was 61.287 tonnes. China mainly exported cargoes to Thailand, Taiwan of China, Malaysia and Uzbekistan.

Ethylene Oxide Import and Export Data in 2023

Month	Imp. Qty. (T)	Imp. Val. (USD)	Exp. Qty. (T)	Exp. Val. (USD)
Jan.	0	0	27	84,278
Feb.	0	0	61	128,745
<b>Total</b>	<b>0</b>	<b>0</b>	<b>88</b>	<b>213,023</b>

Ethylene Oxide Import and Export by Countries/Regions in Jan. 2023

Countries/Regions	Imp. Qty. (T)	Imp. Val. (USD)	Exp. Qty. (T)	Exp. Val. (USD)
Bangladesh	0	0	15.8	47,400
Taiwan of China	0	0	4.968	18,878
Uzbekistan	0	0	6	18,000
<b>Total</b>	<b>0</b>	<b>0</b>	<b>27</b>	<b>84,278</b>

Ethylene Oxide Import and Export by Countries/Regions in Feb. 2023

Countries/Regions	Imp. Qty. (T)	Imp. Val. (USD)	Exp. Qty. (T)	Exp. Val. (USD)
Cambodia	0	0	5.279	14,453
Malaysia	0	0	8.4	13,440
Pakistan	0	0	7.56	15,120
Thailand	0	0	16	19,200
Taiwan of China	0	0	8.568	27,335
Uzbekistan	0	0	7.92	24,077
Colombia	0	0	7.56	15,120
<b>Total</b>	<b>0</b>	<b>0</b>	<b>61</b>	<b>128,745</b>

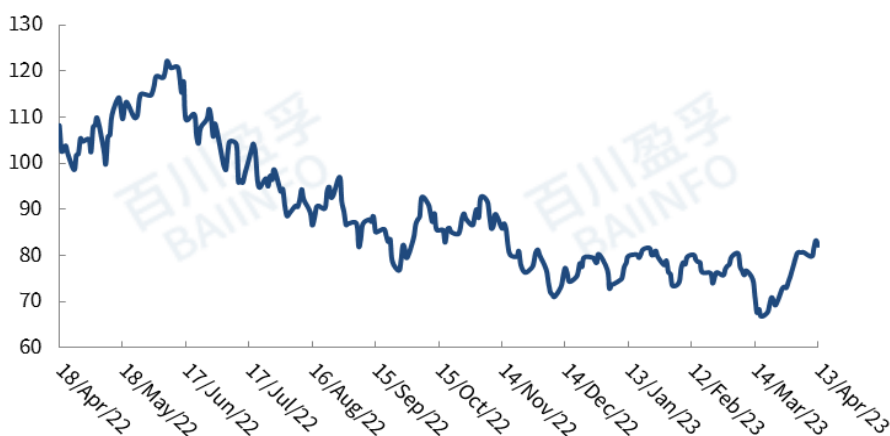
[BACK TO THE CONTENT](#)

## Upstream & Downstream & Related Markets

### Crude Oil Market

This week, OPEC joint with other oil producing countries conducted voluntary production cuts, intensifying the concern about shrinking supply. Plus, inflation data in the US had declined. Investors expected that the FED would not increase interests any more. Lowering US dollars supported crude oil prices. International crude oil prices fluctuated up. Early this week, OPEC+ production reduction plan made oil market warm. Along with fallen crude oil inventory in the US, the price was boosted. However, employment data in the US showed that labor market was short, intensifying the concern about interest increase. International crude oil prices moved down after rose up. Later this week, the market was full of worries about tightening supply. Plus, declined CPI data in the US reflected cooler inflation condition, easing the pressure from interest increase. Insiders saw the period of interest increase would end. International crude oil prices stopped falling and rebounded. By Apr. 12, WTI and Brent values were at USD 83.26/bbl and USD 87.33/bbl respectively. Overall, both supply and demand sides are bullish to the market.

WTI Crude Oil Price Trend (Unit: USD/bbl)



**Forecast:** Energy supply tightening, overlapping with the strong seasonal demand in the U.S., overseas demand is expected to grow, and thus crude oil supply and demand will shift to a tight pattern. In addition, macro risks eased, and the Federal Reserve may adjust the pace of interest rate hikes, but market players still need to pay attention to the Fed officials remarks. At the same time, the U.S. will be as soon as possible to collect storage or further push up oil prices. Overall, the supply and demand sides are favorable. Coupled with reducing macro pressure, short-term oil prices are expected to move up again, but market players should be alert to the risk of recession, and concern about the U.S. storage, release of changes in storage.

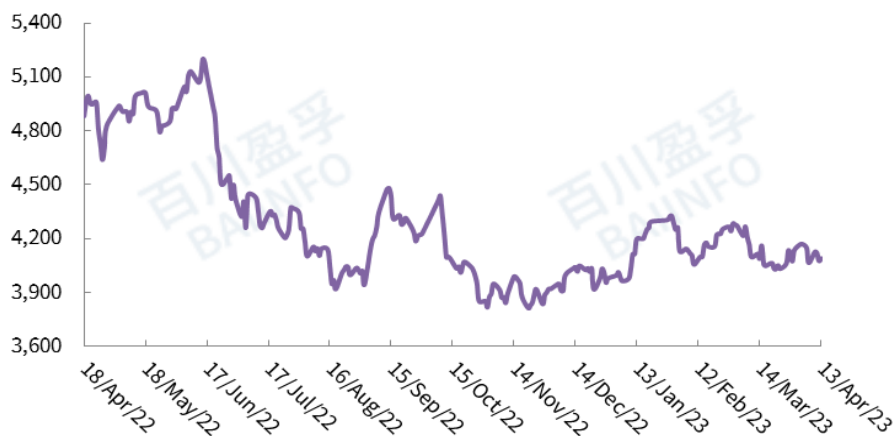
[BACK TO THE CONTENT](#)

### MEG Market

This week, domestic MEG market increased then declined. As of Apr. 13, average market price of MEG was at RMB 4,085/T in East China and RMB 4,260/T in South China. From the cost, coal market moved downward. However, OPEC joint with other oil producing countries voluntarily curtailed production, and then tight supply might be seen. Combined with the depreciation of the US dollar, international oil price fluctuated up, which provided rising cost support for MEG market. As for supply, MEG enterprises conducted turnaround or resumed production, so overall output remained largely stable. Besides,

MEG port inventory declined slightly owing to acceptable shipment. As for demand, terminal textile and polyester enterprises started cutting production under sales pressure, thus they adopted cautious approach to take cargoes, resulting in decreasing demand for MEG. On the whole, MEG market registered fluctuations with bullish and bearish effects.

**MEG Average Market Price Trend (Unit: RMB/T)**



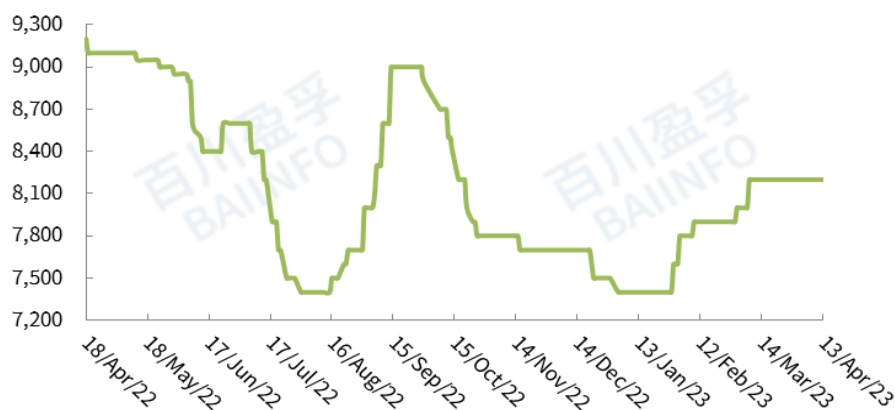
**Forecast:** From the cost, coal price is likely to go down further due to less downstream demand. Besides, crude oil price may witness further rise on the back of supply-demand situation and less macroscopic pressure in the short term. Overall, MEG market gains bullish cost support. As for supply, domestic MEG supply is possible to grow next week since many enterprises are about to restart. Moreover, with more arrivals and limited rigid demand, MEG port inventory is probable to pile up slightly. As for demand, overseas orders are hard to increase because of destocking. Furthermore, due to few terminal orders, downstream and traders are cautious to procure cargoes. As a result, MEG market is forecasted to run stably next week.

[BACK TO THE CONTENT](#)

## Polycarboxylate Superplasticizer Monomer Market

This week, polycarboxylate superplasticizer monomer market consolidated weakly. As for Apr. 13, average market price of polycarboxylate superplasticizer monomer was at RMB 8,200/T. Raw material ethylene oxide market remained largely stable with small corrections, providing acceptable cost support for polycarboxylate superplasticizer monomer market. Downstream and terminal enterprises restarted slowly, whereas the enterprises which had resumed production chose to replenish cargoes or make inquiries on small orders. Thus, overall demand for polycarboxylate superplasticizer monomer grew little. Owing to cost support, polycarboxylate superplasticizer monomer enterprises maintained offers high, but deals were limited at a high price. Besides, amid heavy inventory pressure, polycarboxylate superplasticizer monomer holders intended to ship cargoes through auction sale, with a few deals seen at a low price.

### Polycarboxylate Superplasticizer Monomer Average Market Price Trend (Unit: RMB/T)



**Forecast:** At present, downstream and terminal enterprises which have restarted mostly focus on destocking, so they purchase cargoes commonly. Moreover, raw material ethylene oxide market is less likely to move up later, which will provide weak cost support for polycarboxylate superplasticizer monomer market. In addition, polycarboxylate superplasticizer monomer holders suffer shipment pressure. As a result, polycarboxylate superplasticizer monomer market is anticipated to fluctuate within RMB 0-300/T amid weak scenario next week. Raw material market, downstream market and terminal demand as well as national policies should be paid attention to later.

[BACK TO THE CONTENT](#)

BAIINFO Ethylene Oxide (EO) Weekly Report Is Issued by the Research Center BAI CHUAN INFO CO., LTD.

Registered office

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

Fax: +86-10-5894 6899; Cell: +86 139 1021 1072; Email: bxj@baiinfo.com

Copyright Notice

Copyright 2023 BAI CHUAN INFO CO., LTD. All rights reserved. All intellectual property rights in this publication and the information published herein are the exclusive property of BAIINFO and or its licensors and may only be used under license from BAIINFO. Without limiting the foregoing, by reading this publication you agree that you will not copy or reproduce any part of its contents (including, but not limited to, single prices or any other individual items of data) any form or for any purpose whatsoever without the prior written consent of BAIINFO

Disclaimer

The data and other information published herein (the 'data') are provided on an "as is" basis. BAIINFO makes no warranties, express or limited, as to the accuracy, adequacy, timeliness, or completeness of the Data or fitness for any particular purpose. BAIINFO shall not be liable for any loss or damage arising from any party's reliance on the data and disclaims any and all liability related to or arising out of use of the data to the full extent permissible by law.