

百川盈孚
BAIINFO

2023

Fatty Alcohol Market Weekly

Apr. 13, 2023 / Issue 23-14

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Market Overview

This week, fatty alcohol market prices edge down. Till Apr. 13, domestic C12-14 alcohol trading prices were at RMB 12,200-12,400/T, with average price at RMB 12,371/T, down RMB 29/T or 0.23% W-o-W. Domestic C16-18 alcohol trading prices were at RMB 12,600-12,800/T, with average price at RMB 12,771/T, down RMB 29/T or 0.22% W-o-W. Argentina, an exporter of soybean oil had implemented the third round preferential exchange rates for soybean. Indonesia might loosen export limitation, which was bad to international palm oil prices. Domestic spot trading market was dim. Cost support for C16-18 alcohol market was weakened. Downstream buyers purchased based on rigid demand. Many manufacturers sold cargoes based on orders signed by regular customers and scattered orders were less. Demand side was hard to provide strong support to fatty alcohol market.

As for supply side, the industry operation rate had no change compared with last week.

In terms of demand side, this week, surfactant AEO-9 market sustained steady. Up to Apr. 13, the market price was at RMB 9,800/T and industry operation rate remained at low level. In order to keep sale-production balance, manufacturers produced based on orders. Downstream demand for surfactant AEO-9 was limited, dragging down the market price. Overall, demand support for fatty alcohol market was insufficient.

For raw materials, palm oil market prices fluctuated largely, with risen output. The concern about supply was weakened. As of Wednesday's close, the intermediate benchmark for Jun., 2023 crude palm oil futures traded around MYR 3,775 / tonne, down 2.35% compared with it at last week. Domestic spot prices for palm oil were at RMB 7,913/T, up RMB 53/T or 4.84% W-o-W. Thus, cost support for fatty alcohol market was flat. Based on fluctuated palm oil prices, coupled with low procurement intention at downstream plants, fatty alcohol trading market performed dim, with fallen profits.

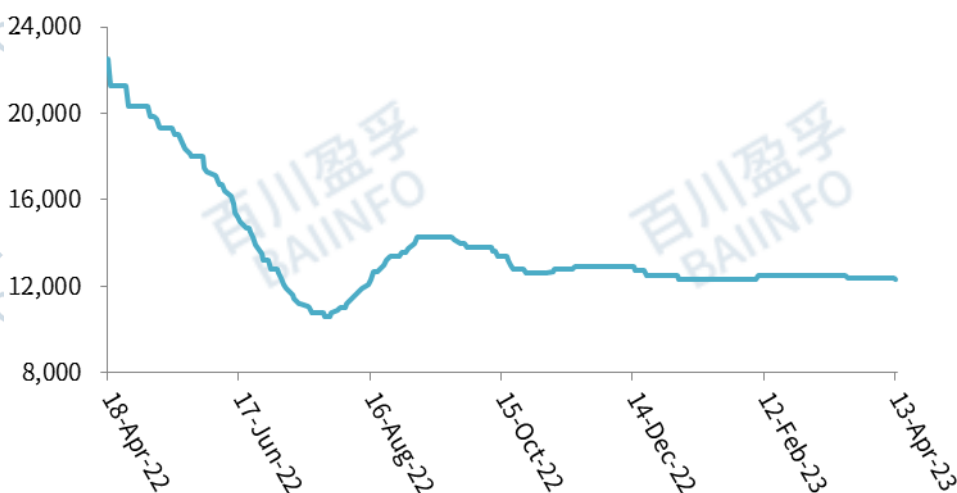
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Price Review

Fatty Alcohol Price Change (RMB/T)

Product	This Weekend	Avg. Price (This Week)	Last Weekend	Avg. Price (Last Week)	W-o-W (%)	M-o-M (%)	Three-month Change (%)	Y-T-D (%)
C12-14 Alcohol	12,200	12,300	12,400	12,400	-0.81%	-1.6%	0%	-1.6%

C12-14 Alcohol Market Average Price Trend (Unit: RMB/T)



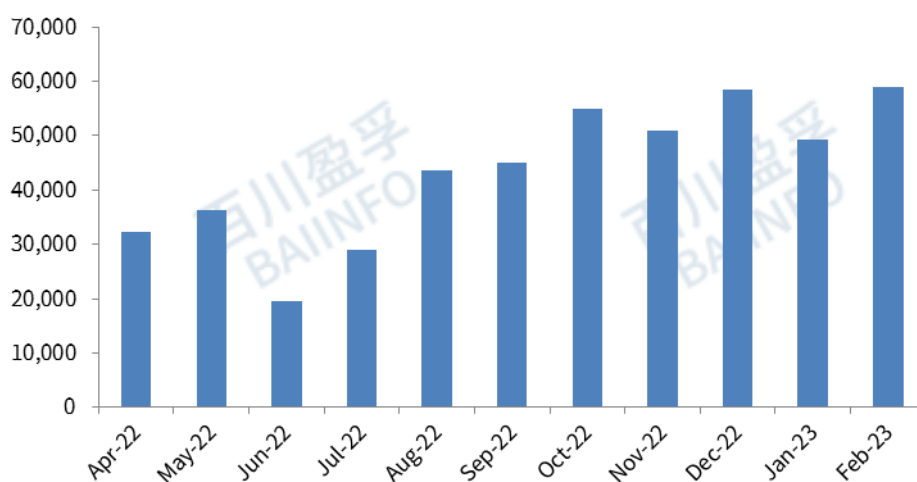
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Import & Export Data

Till Feb., 2023, domestic fatty alcohol import volume was at 58,970.677 tonnes, with total value at US 90,091,567 dollars. Besides, major imports were from Indonesia, Malaysia, Thailand and South Africa. Moreover, Shanghai, Jiangsu, Tianjin and Zhejiang were main import provinces or municipalities. The major trade for imported fatty alcohol was ordinary mode and Import & export goods at bonded supervision areas.

Month	Imp. Qty. (T)	Imp. Val. (USD)	Imp. Avg. Price (USD/T)	Y-o-Y
Feb-23	49,278.883	76,793,639	1,558.35	24.32%
Jan-23	58,970.677	90,091,567	1,527.73	141.82%

Fatty Alcohol Import Data (Unit: T)

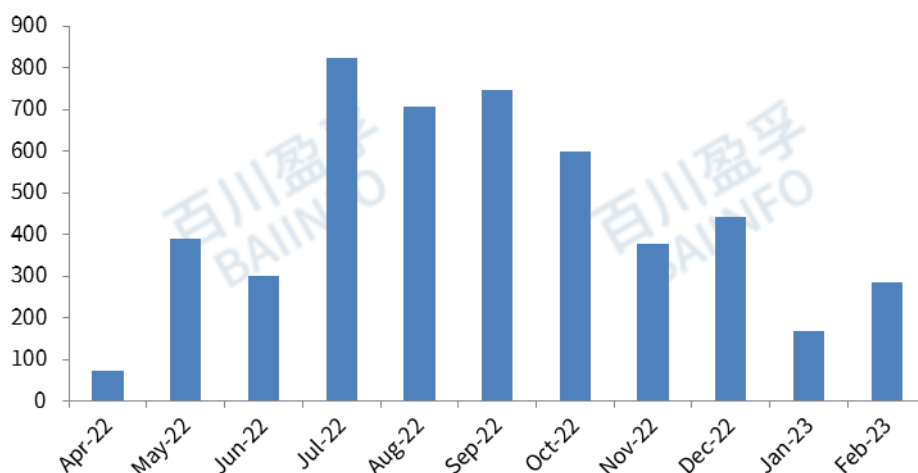


Up to Feb., 2023, domestic fatty alcohol export volume was at 285.521 tonnes, with total value at US 664,682 dollars. Major exports were from Russia, Germany, Thailand and South Korea. For China, large part of exports came from Jiangsu,

Guangdong, Hunan and Shanghai. General export trades were ordinary trade mode.

Month	Exp. Qty. (T)	Exp. Val. (USD)	Exp. Avg. Price (USD/T)	Y-o-Y
Feb-23	169.28	490,602	2,898.17	135.44%
Jan-23	285.521	664,682	2,327.96	243.3%

Fatty Alcohol Export Data (Unit: T)



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Domestic Fatty Alcohol Import & Export Data in Jan. & Feb., 2023

Jan-23

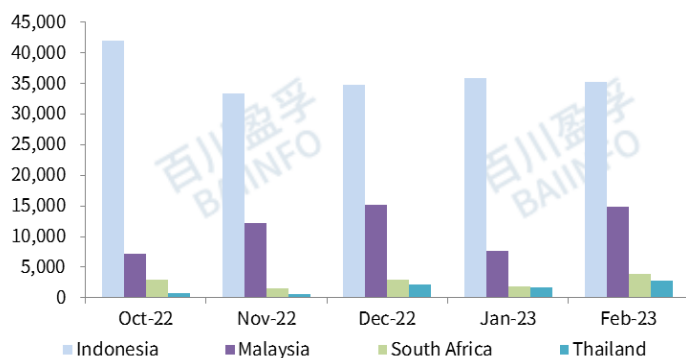
Countries/Regions	Imp. Qty. (T)	Imp. Val. (USD)	Exp. Qty. (T)	Exp. Val. (USD)
Indonesia	35,833	49,886,983	0.02	89
Malaysia	7,645	12,236,463	0	0
South Africa	1,906	1,928,176	0	0
Thailand	1,626	2,254,590	0.028	100
India	535	3,441,177	0.002	12
United States	445	1,274,077	0.008	40
Germany	408	1,862,501	0.005	20
France	387	2,312,287	0	0
Italy	234	973,093	0	0
Philippines	96	172,961	3	6,570
Holland	96	211,740	0.002	10
Japan	68	238,851	31	72,904
Mexico	0.023	620	3	7,121
South Korea	0.02	120	0.3	1,587
Russia	0	0	107	347,941
Bangladesh	0	0	11	22,707
Brazil	0	0	5	10,570
Argentina	0	0	3	7,800

Kenya	0	0	3	2,021
Ghana	0	0	3	7,000
North Korea	0	0	0.9	1,800
Vietnam	0	0	0.665	2,168
Oman	0	0	0.015	28
Taiwan of China	0	0	0.004	30
Lithuania	0	0	0.004	84
Total	49,279	76,793,639	169	490,602

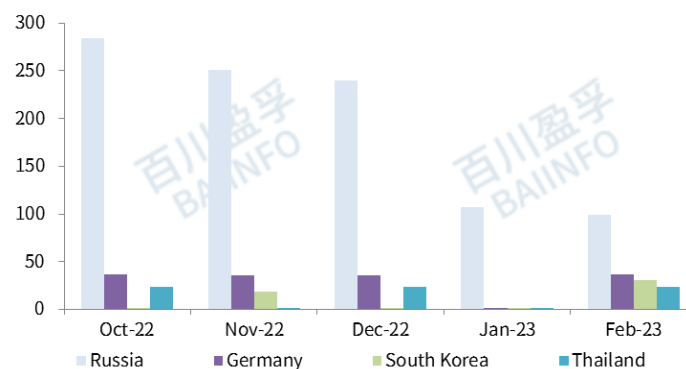
Feb-23

Countries/Regions	Imp. Qty. (T)	Imp. Val. (USD)	Exp. Qty. (T)	Exp. Val. (USD)
Indonesia	35,172	50,178,628	10	90,192
Malaysia	14,790	22,609,170	0	0
South Africa	3,900	3,898,996	0	0
Thailand	2,846	4,041,695	24	51,590
United States	549	1,349,716	0	0
Germany	375	2,143,082	37	45,986
India	351	2,154,911	17	25,999
Philippines	347	648,912	0	0
France	272	2,008,358	0	0
Holland	228	463,875	0	0
Italy	112	495,535	0	0
Japan	31	97,121	10	24,200
Taiwan of China	0.17	1,568	0	0
Russia	0	0	99	278,143
South Korea	0	0	30	27,200
Uzbekistan	0	0	17	25,320
Argentina	0	0	14	28,119
Ghana	0	0	13	28,800
Venezuela	0	0	10	25,500
Mexico	0	0	2	6,028
El Salvador	0	0	2	4,874
Vietnam	0	0	0.825	2,617
Oman	0	0	0.06	114
Total	58,971	90,091,567	286	664,682

Fatty Alcohol Import Data by Countries/Regions (Unit: T)



Fatty Alcohol Export Data by Countries/Regions (Unit: T)



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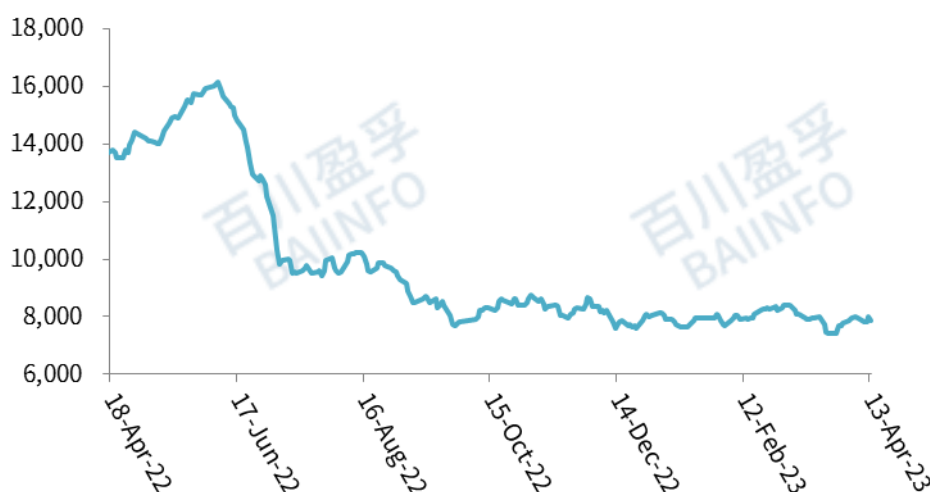
Upstream Market

This week, palm oil market fluctuated widely with rising supply. Early this week, although palm oil inventory in Malaysia decreased beyond the expectations, the export volume dropped sharply in early Apr. Then palm oil futures price fell back from the high, dragging down domestic palm oil price. On Apr. 11, the export tax was raised in Indonesia, combined with picking up domestic bulk commodity market, palm oil spot price moved upward. Currently, palm oil output in Malaysia began to grow, but export market remained soft. Besides, domestic palm oil inventory stood high overall, coupled with less import, trading performance of palm oil market was lackluster.

Palm Oil Price Change (Unit: RMB/T)

Product	13-Apr-23	Avg. Price This Week	6-Apr-23	Avg. Price Last Week	M-o-M	3-Month Change (%)	Y-T-D (%)
Palm Oil	7,850	7,913	7,700	7,497.14	-1.26%	2.61%	-3.68%

Domestic Palm Oil Price Trend (Unit: RMB/T)



Forecast: Palm oil output in Apr. will be affected by the Lesser Bairam. However, with no new biodiesel policies introduced, palm oil supply will improve, which will restrain the price trend. Recently, due to limited domestic buying interests at ports, palm oil spot inventory drops slightly, bolstering domestic price to ramp up. As the temperature gradually rises, palm oil

consumption gradually increases since traders become active in replenishment. On the whole, domestic palm oil spot inventory tends to decline. Combined with the expectations of demand recovery, palm oil market is possible to move upward next week.

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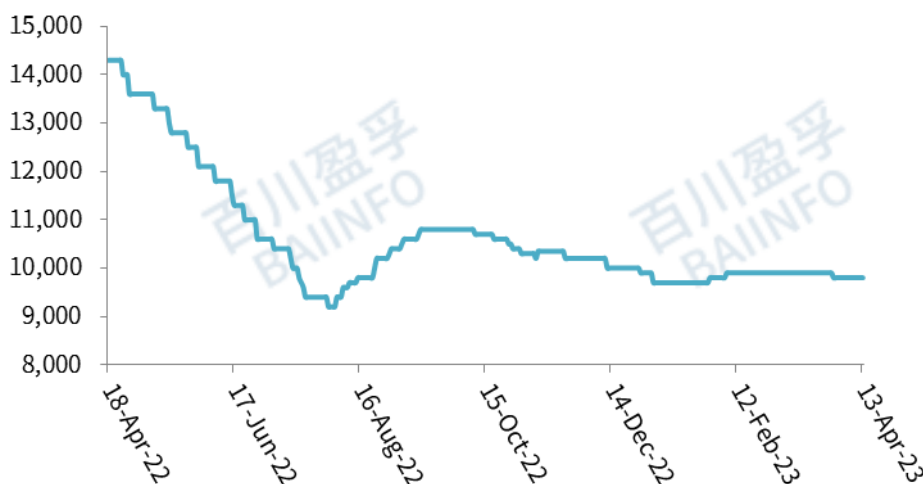
Downstream Market

Surfactant

This week (Apr. 7-Apr. 13), surfactant AEO-9 market corrected itself in steady condition. Till Apr. 13, market price was at RMB 9,800/T, the same level as last week. Feedstock ethylene oxide market sustained stability and fatty alcohol market inched down, with cost support abating for the market. Surfactant operation rate was still at low level as a whole, and producers focused on producing cargoes based on orders. Downstream demand for AEO-9 was lukewarm, dragging down the market. In general, the trading atmosphere was muted. It is predicted that surfactant AEO-9 market may move range-bound next week.

This week (Apr. 7-Apr. 13), anionic surfactant AES market was stable-and-restrained. As of Apr. 13, average market price was unchanged at RMB 6,800/T with the previous week. Anionic surfactant production was ordinary and supply was sufficient. Feedstock ethylene oxide market sustained stability and fatty alcohol market inched down, with cost support abating for the market. Downstream demand was weak, hammering down the market. In this case, producers intended to destock and held bearish sentiment towards the coming market. It is foreseen that anionic surfactant AES market may perform weakly next week.

Surfactant Average Market Price Trend (Unit: RMB/T)



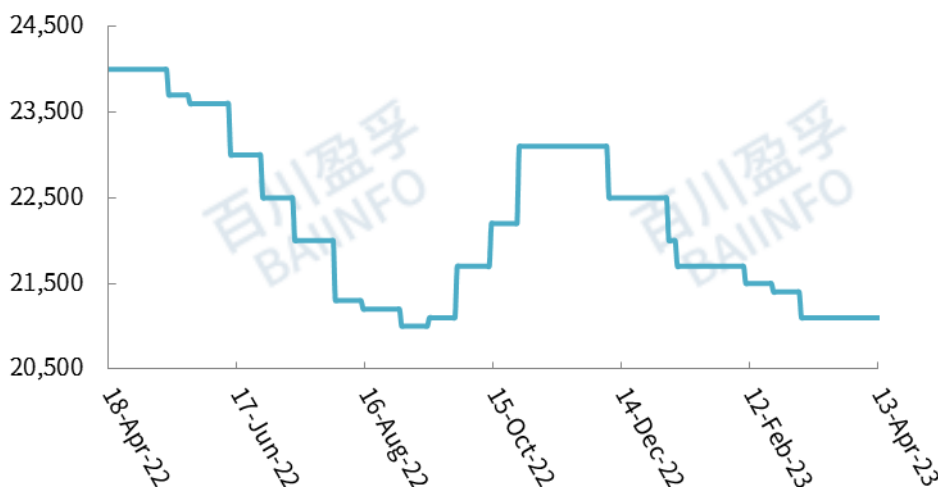
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Aliphatic Amine

This week, domestic aliphatic amine market stabilized temporarily with acceptable trading performance. As of Apr. 13, average market price of hydrogenated palmityl amine (in barrel) was at RMB 21,100/T. Raw material palm oil market

fluctuated widely, providing weakening cost support for aliphatic amine market. Major aliphatic amine enterprises maintained offers stable.

Aliphatic Amine Average Market Price Trend (Unit: RMB/T)



Forecast: At present, aliphatic amine enterprises keep low production, leading to less spot supply. Besides, aliphatic amine inventory is rare. Moreover, as downstream market turns bullish, buying interests become more active even with low production. In addition, raw material palm oil market is likely to see fluctuations, which will provide bearish cost support for aliphatic amine market. Hence, aliphatic amine market is anticipated to register stable-and-weak scenario next week, with price estimated at RMB 20,500-21,000/T. Raw material price trend should be paid attention to.

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Market Forecast

Domestic palm oil spot inventory slides down and demand is recovering. In next week, palm oil market prices are likely to go up and the specific situation will be decided by local policies and domestic supply-demand pattern. The market price is predicted to be around RMB 7,800-8,000/T, so cost support for fatty alcohol market is proper.

As for supply-demand pattern, domestic fatty alcohol manufacturers produce normally with stable supply. In next week, supply will remain unchanged. Downstream procurement sentiment is not improved, where they still purchase based on rigid demand. Actual trading prices are decided by negotiation. In next week, the upward momentum from demand side for the market will be insufficient.

To sum up, domestic fatty alcohol market performs badly, without strong cost and demand supports. Downstream procurement intention is weak and the market is seen to be bearish. In next week, fatty alcohol market prices will be consolidated. Fatty alcohol (C 12-14) average market price may be around RMB 12,200-12,400/T and average prices for C 16-18 alcohol are expected to be around RMB 12,600-12,800/T. Raw materials prices and downstream demand change should be paid attention.

Influence Factors	Assessment	Key Points
Output	★★	Risen output

Downstream Demand	★★	Based on rigid demand
Inventory	★★★★	Low-level inventory, but middlemen holding high-level inventory
Import	★★★★	Imports flow into the market, small proportion of total supply
Market Sentiment	★★★★	Bearish atmosphere
Others	★★	Epidemic, environmental protection electricity limitation and other factors

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