

BAINFO Methanol Weekly

Feb.9, 2017 / Issue 17-5



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

百川盈孚
BAINFO

BAINFO Research Center
<http://www.baiinfo.com/en>
Fax: +86-10-5894 6899;
Cell: +86 139 1021 1072;
Email: bxj@baiinfo.com

CONTENTS

Market Analysis & Forecast

- Crude Oil
- Coal
- Natural Gas
- Methanol
- Formaldehyde
- Acetic Acid
- Dimethyl Ether
- Liquefied Gas
- DMF
- DMC
- Propylene
- MTBE
- Methane Chloride

Prices

- Average Price of Methanol and Relative Products
- International Price of Methanol

Imp. & Exp. Data

- China's Methanol Imp. & Exp. by Countries in Dec., 2016
- China's Methanol Imp. & Exp. by Customs in Dec., 2016

Crude Oil

➤ Review & Analysis

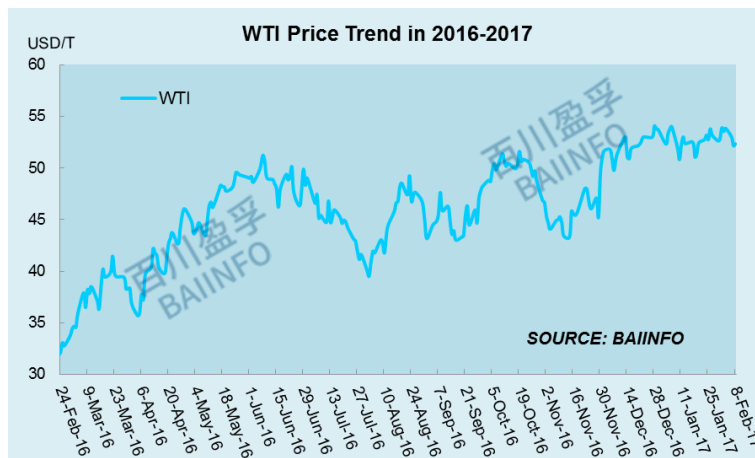
This week, effective execution of production curtailment supported international crude oil prices to some extents. However, as outputs of US shale oil increased significantly and US dollar got stronger again, crude futures slid down for two days continuously. On Feb.8, influenced by decreasing US gasoline stocks, international crude oil prices rallied slightly. Overall, international crude oil prices fluctuated slightly this week. WTI average price was USD52.98/barrel, down by 0.36% over last week and up by 0.72% over last month, while Brent price ran at USD55.85/barrel, up by 0.16% over last week and up by 0.74% over last month.

In the supply side, a survey showed that in Jan., 2017, daily crude oil output of OPEC countries was 30.01 million barrels, decreasing by near 1 million barrels per day over Dec., 2016. According to the data from Russian Energy Ministry, daily output of Russian crude oil was 11.11 million barrels, dropping by 100,000 barrels per day over Dec., 2016.

In the demand side, China's crude oil imports were 36.381 million tonnes (mt) in Dec., 2016, up by 12.46% MoM. In 2016, China's crude oil imports were 381.038 mt totally, up by 13.58% YoY. In India, crude oil imports from Iran increased to 17.9 mt in Dec., up by 0.8% YoY. Besides, the whole import volumes of crude oil from Iran in Jan.-Nov. increased by 127.7% YoY. According to the data from EIA (Energy Information Administration), US crude stocks moved up by 1.383 million barrels to 508.6 million barrels. US crude oil imports increased by 1.064 million barrels to 8.978 million barrels per day. US daily crude oil output hiked by 63,000 barrels to 8.978 million barrels.

➤ Forecast

On the one hand, international crude oil market was supported by effective execution of production curtailment. Meanwhile, tensions between the US and Iran also brought some positive factors for international crude oil market. On the other hand, the US was quickening the rehabilitation of shale oil and US crude stocks stayed at a high level, depressing international crude oil market to some extents. Overall, amid expectations for effective execution of production curtailment, international crude oil price is expected to move up continuously. WTI average price is predicted to be USD52-54/barrel and Brent at USD55-57/barrel next week.



[Back to the Top](#)

Coal

➤ Review&Analysis

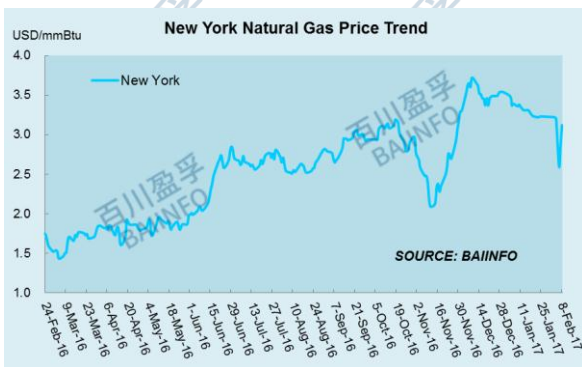
This week(Feb 3-Feb 9, 2017), coal market continued to run stable with weak fundamentals during holidays.

➤ Forecast

After holidays, power plants will have stock replenishments, so coal market is likely to stay weak and stable.

[Back to the Top](#)

Natural Gas



Date	New York
3-Feb-17	3.22
4-Feb-17	3.2
6-Feb-17	2.6
7-Feb-17	2.85
8-Feb-17	4.81
Average	3.34

[Back to the Top](#)

Methanol

➤ Review&Analysis

This week(Feb 3-Feb 9, 2017), after the Spring Festival holidays, the market recovered with better transportation, but downstream slow demand and maintenance of olefin plants in Shandong led to large stocks of methanol producers, so methanol price dropped by RMB20-100/T in Shandong and Central Shaanxi. In Shanxi and Hebei, price rose slightly by RMB20-50/T with tight supply due to environmental protection inspection. In the Northwest, some producers had large stocks due to snow weather, while in Hunan, Hubeia and the Southwest, methanol market ran firm with regional ups and downs.

This week, ups and downs are evident with the range of RMB20-100/T. Though the offering in Northwest of China decreased, they operated according to the contract, new devices mostly made profits.

➤ Forecast

Due to stagnated trading in Central Shaanxi and tight transport in Shaanxi and Inner Mongolia, stocks piled up and producers faced pressures. In Shandong, as arbitrage window was open, more cargoes were sent to ports. Coupled with the resumption of two major units, the market might turn better in the coming period. However, cargoes from the Northwest will still bring competition. Downstream still consumed stocks and had cautious purchasing before

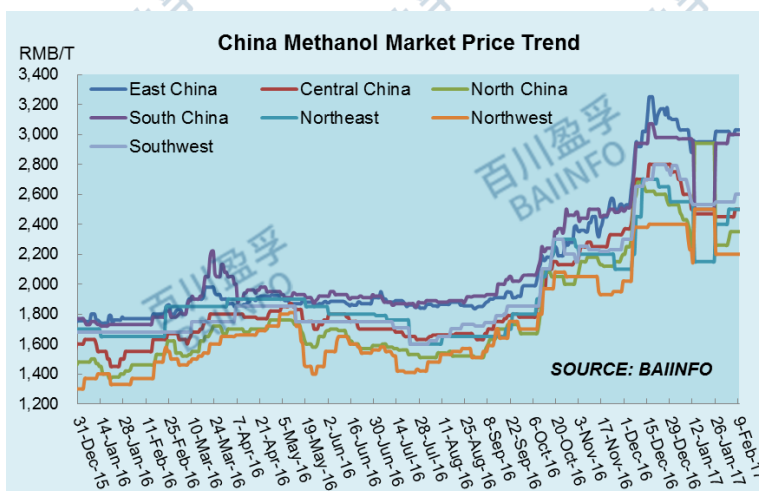
the Lantern Festival. Overall, the market might see regional difference next week. At ports, forward price hike provided cost support but port stocks and domestic cargoes arrived will restrict market price.

Positive Factors:

- 1 Stocks at ports were relatively low and forward price ran firm.
- 2 PETRONAS small units were shut down and it has annual turnaround plan in August.
- 3 Most producers had no large stock pressures after they clear stocks before holidays.
- 4 Downstream replenished stocks before holidays and transportation charges moved up.

Negative Factors:

- 1 Downstream market recovery still takes time.
- 2 Some producers faced pressures with large stocks.
- 3 Two major olefin units in Shandong had turnaround plan.
- 4 More units in the Northwest will be restarted and supply will increase accordingly.
- 5 Port stocks increased as arbitrage window was opened.



[Back to the Top](#)

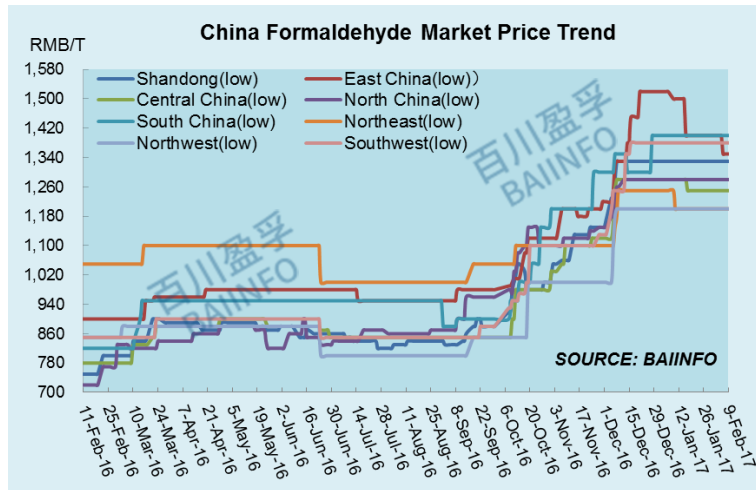
Formaldehyde

➤ **Review&Analysis**

This week(Feb 3-Feb 9, 2017), formaldehyde market ran flat during holidays as most units were shut down. After holidays, some producers in Shandong cut down prices by RMB30-50/T, while price ran stable in other regions.

➤ **Forecast**

Formaldehyde recovered slowly after holidays with stagnated trading and the resumption will be delayed. Upstream methanol market showed fluctuations and formaldehyde price followed to move up as the cost increased before holidays. Downstream plate market recovered slowly and demand from water reducer was limited, so formaldehyde market had no support and price ran stable except for price hike in Central China, North China and Shandong. It's expected that formaldehyde price will ran stable with slowly recovering operation in the short term.



[Back to the Top](#)

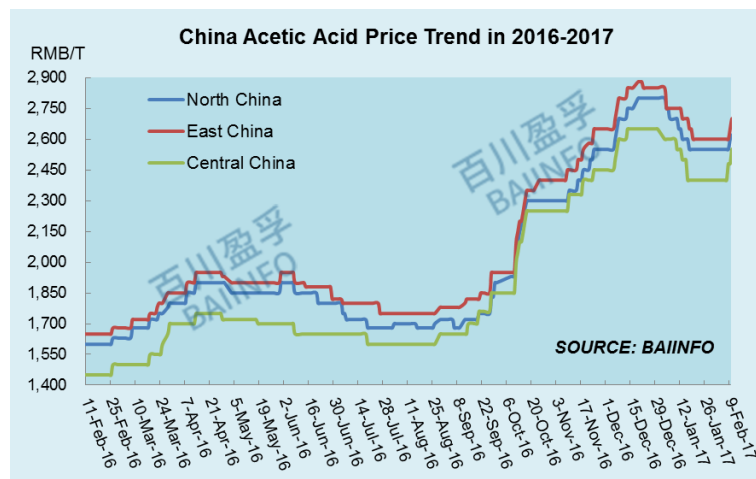
Acetic Acid

Review&Analysis

This week(Feb 3-Feb 9, 2017), acetic acid market had small fluctuations with watching attitude. The market showed regional difference in North China and South China. Specifically, stocks in North China stayed at medium level and price rose slightly by RMB20-50/T. In South China and East China, the market ran stable before holidays but methanol price promoted acetic acid market to some extents. However, downstream slow demand restricted rising momentum. Downstream ethyl acetate and vinyl acetate price declined by large stocks. Butyl acetate market showed consolidations while acetic anhydride market was relatively stable.

Forecast

After the Lantern Festival, downstream units will be restarted gradually and acetic acid market might turn better. Meanwhile, raw material methanol market consolidated at high level, so acetic acid price was promoted. In the coming period, with the resumption of methyl acetate and chloroacetic acid units, acetic acid price might see a hike of RMB50-100/T.



[Back to the Top](#)

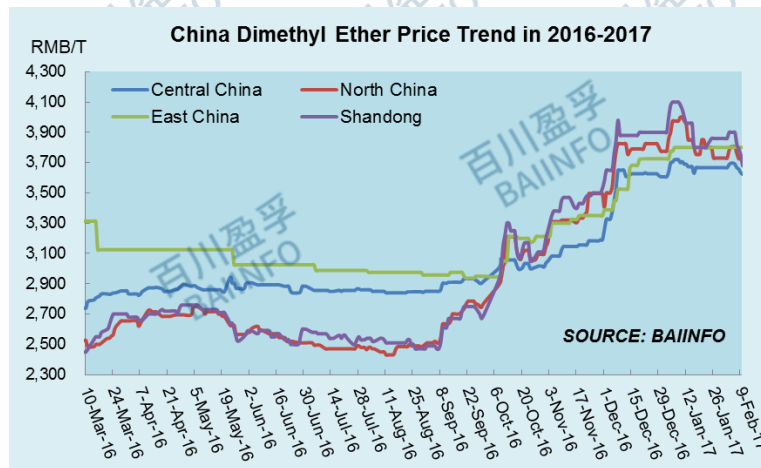
Dimethyl Ether

➤ Review&Analysis

This week(Feb 3-Feb 9, 2017), dimethyl ether market was evaluated as up-to-down. After the Spring Festival, downstream liquefied gas producers still had demand and dimethyl ether price was pushed up by RMB20-30/T and then price was reduced by RMB60-150/T with the end of procurements. Overall, dimethyl ether price declined by around RMB50/T compared to the week before holidays. Besides, dimethyl ether units were restarted and the supply increased but civil gas stocks rose, so the market might turn loose again.

➤ Forecast

After holidays, dimethyl ether market opened high but ran lower affected by downstream liquefied gas. With tight transport and increasing stocks, a small amount of replenishment had limited support for dimethyl ether market. Methanol price ran at high level but dimethyl ether market ran soft. It's expected that dimethyl ether market will run mainly stable with regional decline of RMB20-50/T possibly.



[Back to the Top](#)

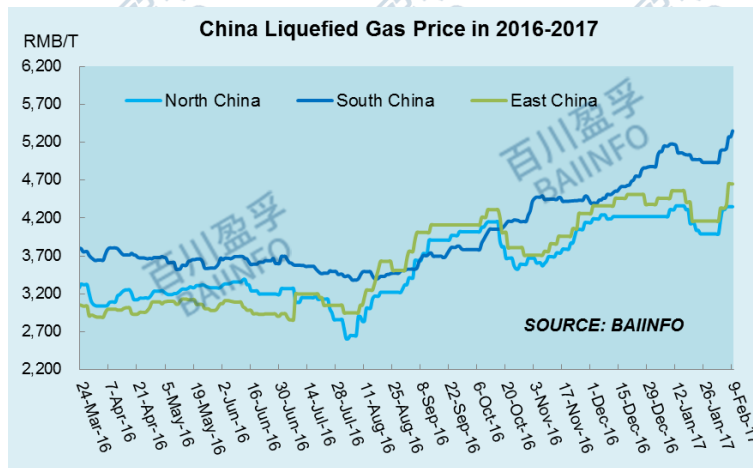
Liquefied Gas

➤ Review&Analysis

Early This week(Feb 3-Feb 9, 2017), civilian liquefied gas price suspended uptrend and stabilized amid watching sentiment, with ordinary shipment. Ether C4 price showed narrower fluctuations. Later, low-end prices of civilian liquefied gas rose and then slowed down increase before Lantern Festival. Individual refineries strongly pushed up offers of feedstock gas, which are expected to hold stable later. At the end of this week, refineries saw shipment more lackluster amid watching mood. And feedstock gas price started to fall back.

➤ Forecast

Going forward, high-priced civilian liquefied gas should see price move down amid bearish outlook. International crude oil price rebounded, which, however, did quite limited impact on civilian liquefied gas market. Ether C4 price should keep falling back in a near term.



[Back to the Top](#)

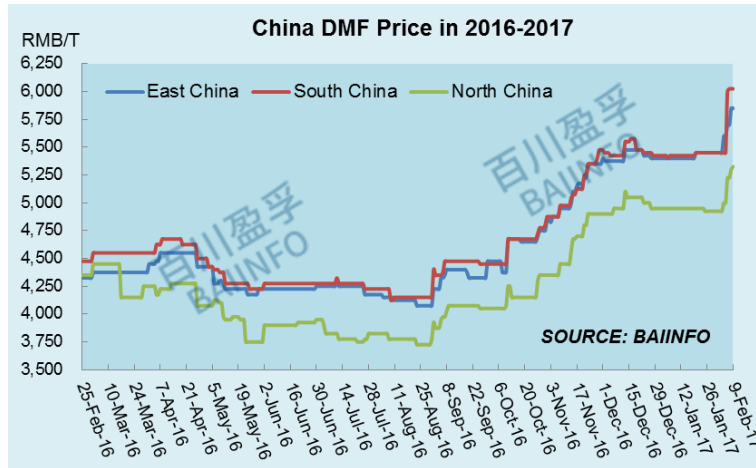
DMF

➤ Review&Analysis

This week(Feb 3-Feb 9, 2017), DMF market fluctuated up. With major DMF producers raising prices, fresh offers increased by RMB150-200/T around regionally. Downstream enterprises slowly resumed production and some of them committed to pre-holiday contracts after holiday, due to which, there were scarce fresh deals seen for DMF. Also, most downstream enterprises stocked up cargoes before holiday and terminal markets were not improved, leading to inactive procurement. Traders focused on commitments to earlier contracts, with no fresh contracts concluded. Feedstock methanol market saw small upsides regionally, providing limited support for DMF.

➤ Forecast

In general, feedstock methanol market performed ordinarily, as methanol producers mainly committed to earlier contracts. Methanol producers in Guanzhong areas focused on destocking. Now, methanol producers in Shaanxi and Inner Mongolia mainly focus on commitments to earlier contracts due to difficult shipments caused by the snow after holiday. In a short run, methanol market may remain stable, with small corrections regionally. Given all the factors, short-term domestic DMF market is expected to keep consolidation within the range of RMB50-200/T.



[Back to the Top](#)

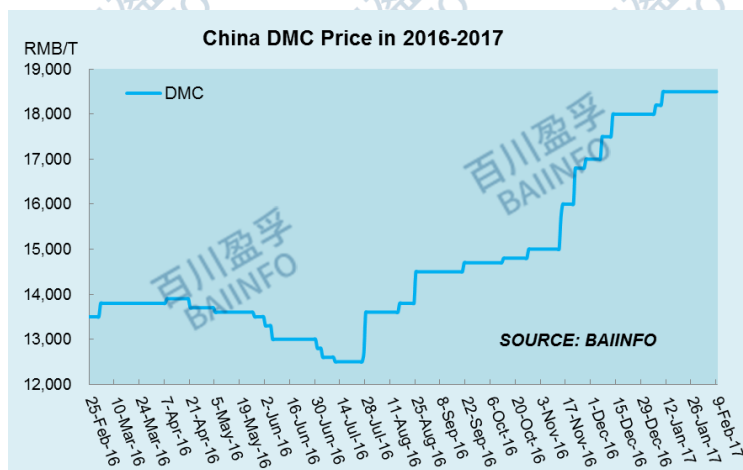
DMC

Review&Analysis

This week(Feb 3-Feb 9, 2017), after Chinese New Year holiday, organosilicone market kept consolidation amid watching mood with quite few holders keeping offers. Currently, mainstream trading level was still assessed as RMB18,500-19,500/T (canned, without package, by cash, delivered to mills). It was heard that most organosilicon monomer enterprises had order backlog till late Feb. and individuals even at Mar.

Forecast

Going forward, some domestic organosilicon monomer enterprises have turnaround plans, combined with the returning terminal users, later restocking demand will be boosted. Besides, BAIINFO learned that there would be industrial conference on Feb. 9 in Shanghai. DMC market is likely to see increase in Feb.



[Back to the Top](#)

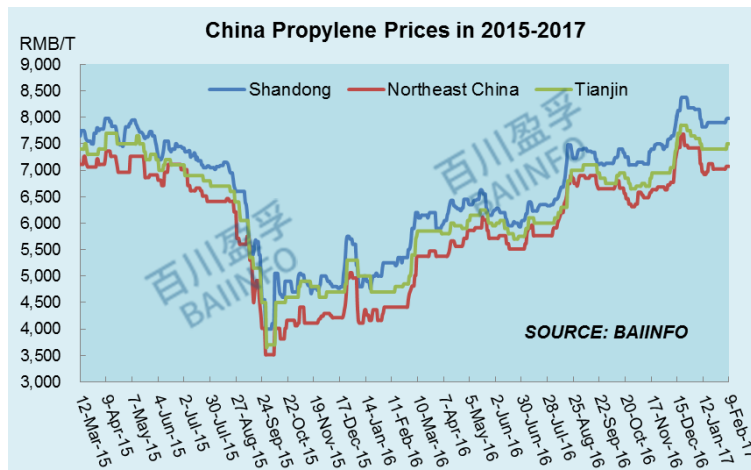
Propylene

➤ Review&Analysis

This week(Feb 3-Feb 9, 2017), in the market side, domestic propylene market price was stable-to-upward with the hike range of RMB 100/T. Market players returned to the market successively and downstream demands recovered gradually. Prices of PP and octanol moved up slightly, supporting propylene market to some extents. Refineries shipped cargoes stably with few stock pressures. However, end-users held common purchasing demands and depressed hikes of propylene prices. At present, domestic propylene producers mostly restarted production normally and downstream enterprises maintained steady purchases for propylene. Market players were more eager to push up offers, but downstream buyers held back on high-priced propylene.

➤ Forecast

This week, propylene market ran stable-to-up with steady supply fundamentals. Propylene resources remained tight in East China. In Shandong, enterprises mostly had resumed productions and downstream demands recovered gradually. However, with propylene price rising, some refineries suffered higher stock pressures. Besides, downstream enterprises held some stocks, thus they were not such active in purchases. Market players held stronger watching mood. Overall, it is expected that propylene market will keep bullish with the fluctuation of RMB 50-100/T.



[Back to the Top](#)

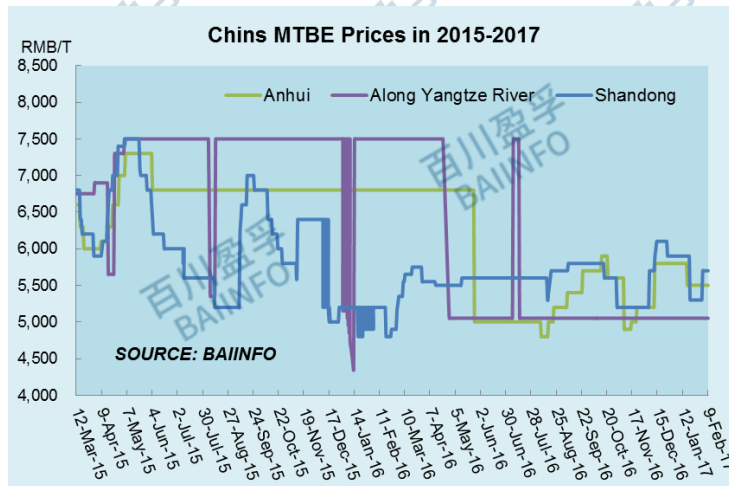
MTBE

➤ Review&Analysis

This week(Feb 3-Feb 9, 2017), market players held pessimistic attitude towards MTBE market. Downstream buyers were inactive in purchases. As C4 price remained high, MTBE refineries mostly were suffering losses and were unwilling to decline prices further. MTBE price was stable-to-soft and market transactions were ordinary. Crude oil change rate kept downtrend, depressing market players' sentiments to some extents. Besides, domestic gasoline price was possible to slide down continuously. Up to Feb.9, mainstream trading prices of MTBE in Shandong was at RMB 5,517/T.

➤ **Forecast**

Overall, MTBE market is hard to turn better amid sluggish demands and it is expected that MTBE market will run weak in a short run.



[Back to the Top](#)

Methane Chloride

➤ **Review&Analysis**

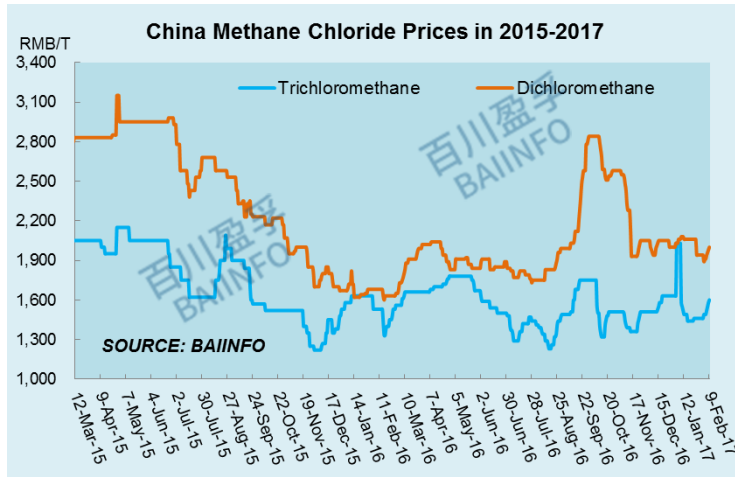
This week(Feb 3-Feb 9, 2017), domestic methane chloride market prices showed ups and downs. Dichloromethane prices moved up after down, while trichloromethane prices went up slightly.

Dichloromethane prices moved up after down. Before the Spring Festival holiday, downstream enterprises stopped units for holiday and market players also got away from market successively. Therefore, dichloromethane enterprises declined offers amid increasing stocks. After the holiday, downstream enterprises resumed production and market demand got stronger gradually, prompting dichloromethane enterprises to hold good shipments and lower stocks. At present, dichloromethane was offered at RMB 2,000-2,020/T in Shandong, RMB 2,350-2,600/T in Jiangsu and RMB 2,620/T in Northwest China.

Trichloromethane market hiked slightly. With downstream demands recovering gradually, enterprises shipped cargoes stably and the stock pressure was able to be eased. As a result, trichloromethane offers moved up continuously. Currently, mainstream prices of trichloromethane were at RMB 1,600/T in Shandong, RMB 2,050/T in Jiangsu and RMB 2,200/T in Northwest China.

➤ **Forecast**

Methanol market ran weak and drove down cost support for methane chloride market. Recently, methane chloride enterprises held low stocks, but downstream demands were possible to turn weaker as buyers mostly maintained enough cargoes. Market players kept strong watching mood on later market. It is expected that methane chloride market will fluctuate slightly next week.



[Back to the Top](#)

Prices

➤ *Average Price of Methanol and Relative Products*

Unit: RMB/T

Energy	Last Week	This Week	Change	Range
Crude oil (WTI: US\$/barrel)	52.43	53.12	0.69	1.32%
Natural gas (Spot in New York : US\$/Mbtu)	3.23	3	-0.23	-7.28%
Methanol	Last Week	This Week	Change	Range
Southeast Asia (CFR)	357.8	367.33	9.53	2.66%
China (CFR)	339.8	343.5	3.7	1.09%
United States Gulf (FOB)	352.15	393.77	41.62	11.82%
Rotterdam T2 (FOB)	355.89	416.94	61.05	17.15%
Downstream Products	Last Week	This Week	Change	Range
Methanol	2,405.00	2,418.33	13.33	0.55%
Formaldehyde	1,337.00	1,329.67	-7.33	-0.55%
Dimethyl Ether	3,724.80	3,715.17	-9.63	-0.26%
Acetic Acid	2,549.00	2,559.50	10.5	0.41%
Liquefied Gas	4,170.91	4,466.19	295.28	7.08%
MTBE	5,223.13	5,469.44	246.32	4.72%
DMF	5,281.67	5,562.50	280.83	5.32%
Organosilicone	18,500	18,500	0	0.00%
Dichloromethane	2,295.00	2,213.96	-81.04	-3.53%
Trichloromethane	1,861.50	1,822.08	-39.42	-2.12%
Propylene	7,524.00	7,574.65	50.65	0.67%
Related Products	Last Week	This Week	Change	Range
Synthetic Ammonia	2,730.84	2,789.74	58.89	2.16%
Coke	1,887.06	1,834.61	-52.45	-2.78%

[Back to the Top](#)

➤ International Price of Methanol

Unit: USD/T

Date	CFR Southeast Asia	CFR China	FOB Rotterdam	FOB Major ports of USA
3-Feb-2017	369	339	418.68	393.77
6-Feb-2017	364	342	418.68	393.77
7-Feb-2017	369	350	417.32	393.77
8-Feb-2017	369	349	409.62	393.77
Changes	0	10	-9.06	0

[Back to the Top](#)

Imp. & Exp. Data

➤ China's Methanol Imp. & Exp. by Countries/Regions in Dec., 2016

Origin	Imp. Qty (T)	Imp. Value (USD)	Exp. Qty (T)	Exp. Value (USD)
Brunei	13,023	4,122,953	0	0
Indonesia	5,009	1,878,504	3	5,909
Iran	305,543	87,013,687	0	0
Japan	3	5,308	0	0
Malaysia	48,328	14,512,173	0	0
Oman	78,593	23,450,652	0	0
Qatar	46,883	12,885,581	0	0
Saudi Arabia	100,462	28,428,277	0	0
Singapore	0.000	139	2	5,424
South Korea	18	43,683	9	8,700
Thailand	1	2,728	0	0
United Arab Emirates	5,000	1,450,000	0	0
Taiwan, China	0.049	2,325	11	39,402
South Africa	33	13,352	0	0
Britain	0.055	1,078	0.003	2
Germany	12	69,357	0	0
Spain	1	5,167	15	16,385
Switzerland	0.007	453	0	0
Russia	929	209,064	0	0
Trinidad and Tobago	11	37,840	0	0
Venezuela	0.076	4,384	0	0
Canada	43	148,905	0	0
The United States	71	738,736	0	0
New Zealand	155,710	46,011,461	13	15,235
Cyprus	0	0	27	27,159
North Korea	0	0	113	31,231
Hong Kong, China	0	0	370	124,999
Israel	0	0	16	15,008

Kuwait	0	0	9	8,856
Macau, China	0	0	70	34,578
Vietnam	0	0	12	19,200
Bahamas	0	0	16	15,898
Dominican Republic	0	0	49	41,731
Panama	0	0	12	13,075
Bonaire and St. Eustatius and Saba	0	0	25	27,216
Total	759,673	221,035,807	771	450,008

[Back to the Top](#)

➤ *China's Methanol Imp. & Exp. by Provinces in Dec., 2016*

Customs	Imp. Qty (T)	Imp. Value (USD)	Exp. Qty (T)	Exp. Value (USD)
Beijing	57,640	17,469,917	0	0
Tianjin	10,499	2,823,003	0	0
Inner Mongolia	929	209,064	0	0
Liaoning	20,003	5,240,047	113	31,231
Shanghai	50,876	16,602,167	36	22,340
Jiangsu	167,980	48,031,582	71	74,350
Zhejiang	285,901	80,440,021	119	114,913
Fujian	119,724	35,887,461	0	
Guangdong	46,121	14,332,545	382	144,199
Anhui	0	0	15	50,735
Hunan	0	0	34	12,240
Total	759,673	221,035,807	771	450,008

[Back to the Top](#)

BAIINFO SERVICES:

BAIINFO Research Reports – Standard & Personalized Research Report

BAIINFO Weekly Reports -- Collecting Industry Information in a Week

BAIINFO Daily Reports – Daily Price Changes and Market Trends

BAIINFO Meeting – Unlimited Business Opportunities

BAIINFO Data Terminal – You Care We Share

BAIINFO Methanol Weekly Report Is Issued by 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 2017 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.