

# Neopentyl Glycol Weekly

Feb. 24, 2022 / Issue 22-7

百川盈孚  
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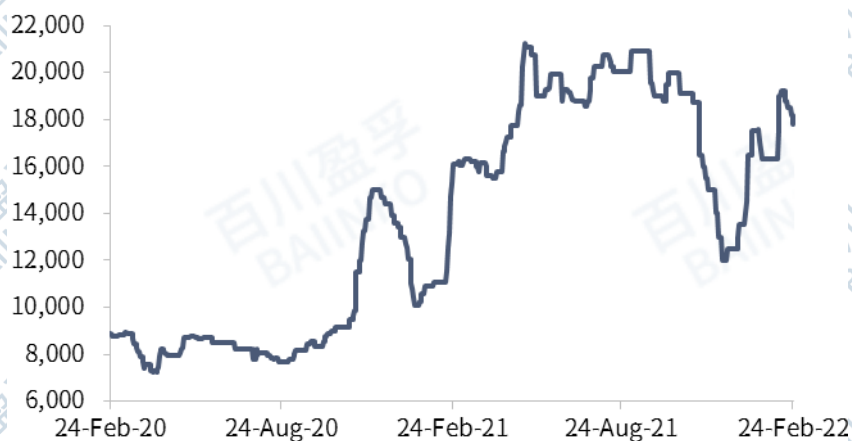
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# Neopentyl Glycol

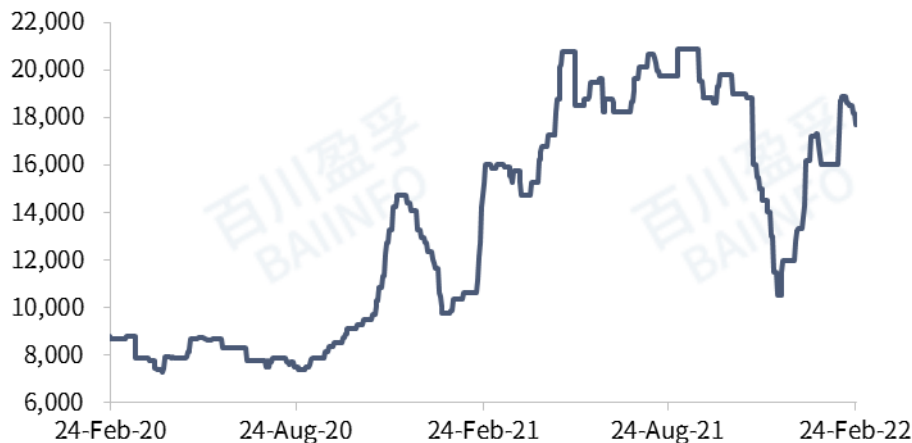
## ➤ Market Overview

This week, domestic neopentyl glycol market ran down weakly. Average market price of neopentyl glycol dropped by RMB 700/T to RMB 17,800/T, down 3.78% over last week. The high-end average market price in this week was RMB 18,500/T, while the low-end was RMB 17,800/T. Feedstock isobutyraldehyde price declined, thus neopentyl glycol enterprises held reducing cost and support from cost side was weakened. Neopentyl glycol enterprises ran in stable operation without enterprises shutting down for maintenance temporarily, ensuring sufficient supplies. Hence, supply side supported neopentyl glycol market limitedly. On demand side, many downstream and terminal plants purchased on rigid demand, and neopentyl glycol market was strongly clouded with watching mood. Neopentyl glycol enterprises mostly delivered earlier orders with scarce new orders following up. Neopentyl glycol market fell amid sluggish demand.

**Neopentyl Glycol Market Trend (RMB/T)  
Imported Hydrotreater, South China**



**Neopentyl Glycol Market Trend (RMB/T)  
Domestic Disproportionation, South China**



### ➤ Supply

Neopentyl glycol enterprises operated stably, and no enterprises overhauled temporarily. Market supply was sufficient, supporting the market limitedly.

### ➤ Profit

As both isobutyraldehyde price and neopentyl glycol price retreated but feedstock price fell at a faster rate than neopentyl glycol price, profits for neopentyl glycol market edged up over last week.

### ➤ Forecast

This week, neopentyl glycol market moved down weakly without bullish factors from both supply side and demand side. In addition, neopentyl glycol enterprises may not plan to shut down for maintenance in the short run. Next week, neopentyl glycol market is predicted to maintain downtrend, with the price adjustment of around RMB 200-500/T.

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## Upstream Market

### Isobutyraldehyde

#### ➤ Market Overview

Isobutyraldehyde price dropped from high level, with the average market price staying around RMB 15,300/T, down 5.8% over last week, up 20.47% YTD. Downstream neopentyl glycol manufacturers operated normally to meet terminal demand, but they were resistant to the constantly rising isobutyraldehyde price. Downstream texanol market consecutively resumed business, driving up the isobutyraldehyde market with stronger demand. Isobutyraldehyde price was hard to keep on rising.

Isobutyraldehyde Average Price (RMB/T)



#### ➤ Demand

Downstream enterprises operated in bad condition. Market players held watching mood with scarce new orders. Texanol enterprises consecutively resumed production, following up isobutyraldehyde orders. Although downstream plants' buying interest was weakened due to high cost, supply of isobutyraldehyde market was imbalanced.

### ➤ Forecast

Domestic isobutyraldehyde market registers slight downtrend. Downstream players slow down purchasing activities amid watching mood. Recently, domestic isobutyraldehyde price is predicted to ramp down. However, an isobutyraldehyde manufacturer plans to suspend production, which may curtail domestic supply of isobutyraldehyde. Hence, medium and long-term isobutyraldehyde market price is likely to stay high.

Price Changes of Isobutyraldehyde & Neopentyl Glycol (RMB/T)

Product	24-Feb-22	Average Price, This Week	17-Feb-22	Average Price, Last Week	WoW	MoM	Year-to-date
Isobutyraldehyde	15,300	15,825	16,500	16,916	-7.27%	16.79%	62.77%
Neopentyl Glycol	17,700	18,220	18,500	18,800	-4.32%	18.0%	33.08%

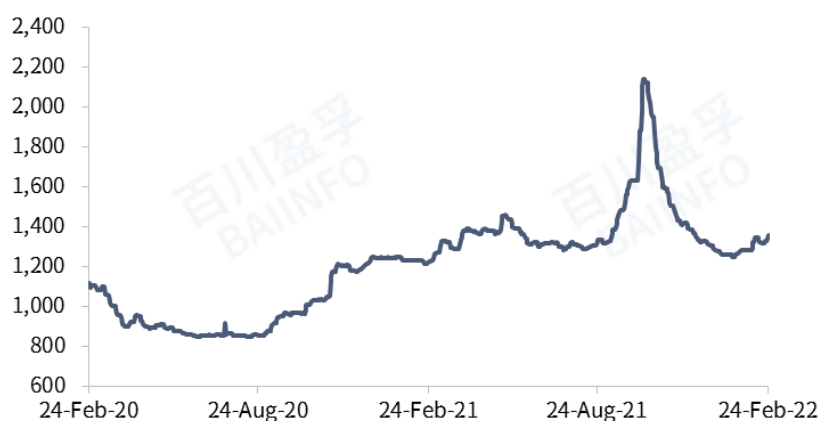
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## Formaldehyde

### ➤ Market Overview

Formaldehyde average market price was around RMB 1,325/T. Downstream plants performed well in resuming business, thus formaldehyde average market price was driven up. However, cost side scaled up at the beginning of this week, thus these plants were limited in quantities, holding watching mood. With the Winter Olympics coming to an end, downstream plants resumed normal operation in a large scale in Shandong, supporting formaldehyde market from demand side. In Linyi, supply of formaldehyde was still curbed amid robust downstream demand, which was bullish to formaldehyde market. Formaldehyde enterprises delivered goods smoothly, and resources were in critical shortage regionally. In East China and some regions of South China, formaldehyde prices were hard to be raised due to unsmooth shipment impacted by the pandemic. In this case, trading performance of formaldehyde market turned to be flat. Generally, formaldehyde market saw upward potential with bullish factors from costs side, but the demand differed in regions.

Formaldehyde Average Market Price (RMB/T)



### ➤ Demand

Demands from North China, Shandong and some regions of Central China were impacted by the Winter Olympics. Downstream plants mostly postponed production resumption, thus slack demand from downstream market couldn't support formaldehyde market. The overall trading market stayed stagnant.

**Formaldehyde Price Changes (RMB/T)**

Region	Specification	Last Week	This Week	Changes
East China	37%	1,454	1,440	-14
Central China	37%	1,180	1,186	6
North China	37%	-	1,260	-
South China	37%	1,450	1,450	0
Northeast China	37%	1,350	1,363	13
Northwest China	37%	1,175	1,133	-43
Southwest China	37%	1,393	1,380	-13
Henan	37%	1,180	1,186	6
Hubei	37%	1,373	1,320	-53
Hunan	37%	-	-	-
Anhui	37%	1,333	1,294	-39
Jiangsu	37%	-	-	-
Shanghai	37%	1,580	1,580	0
Zhejiang	37%	1,367	1,400	33
Shandong	37%	1,296	1,284	-12
Hebei	37%	-	1,260	-
Shanxi	37%	1,200	1,205	5
Shaanxi	37%	1,175	1,133	-43
Xinjiang	37%	-	1,400	-
Chongqing	37%	1,450	1,406	-44
Fujian	37%	1,500	1,500	0
Guangdong	37%	1,450	1,450	0
Guangxi	37%	1,400	1,393	-8

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## Downstream Market

### UPR

#### ➤ Market Overview

UPR price fluctuated slightly. UPR manufacturers produced inactively on demand as downstream orders were insufficient. According to BAIINFO, UPR average market price stayed flat on Feb. 24 at RMB 10,700/T.

UPR Mainstream Reference Price (RMB/T)

Region	Specification	Low-end	High-end
Shandong	191#	10,100	10,300
	196#	10,600	10,800
	DC 191#	9,500	9,700
East China	191#	10,800	11,000
	196#	11,600	11,800
	DC 191#	9,800	10,000
North China	DC 191#	9,600	9,800
	196#	10,800	11,000
South China	191C#	11,100	11,300
	196#	12,100	12,300

### ➤ Cost

Phthalic anhydride (PA) market was clouded with watching mood. Reference prices of o-xylene PA in East and North China both stayed around RMB 7,900/T, and the price of o-xylene PA in South China delivered to surrounding areas was around RMB 7,900-8,000/T. Reference prices of (naphthalene-based) PA in Hebei and Shandong were around RMB 7,350-7,400/T, and price of (naphthalene-based) PA in East China stayed around RMB 7,700/T. As raw materials of PA, o-xylene price remained high, and industrial naphthalene trading price declined. PA price constantly dropped amid high cost. Thus, PA manufacturers held low profits, and PA price might fall within a small range. Aromatics industry chain was strongly supported by rising crude oil price, and downstream plasticizer manufacturers raised operation rate, both of which were bullish to PA market. PA market was predicted to run amid watching mood.

In addition, maleic anhydride market continued to be sluggish. Prices of maleic anhydride (relative density: 1.480; melting point: 52.8°C) stayed around RMB 11,800-12,000/T in Shandong and RMB 12,000-12,500/T in Jiangsu; reference prices of maleic anhydride (relative density: 1.480; melting point: 52.8°C) were both around RMB 11,500-12,000/T in Hebei and Shanxi; price of maleic anhydride (relative density: 1.480; melting point: 52.8°C) was around RMB 12,500-13,000/T in South China delivered to surrounding areas. Maleic anhydride manufacturers provided offers at low level, because the market was stagnant with tepid downstream demand. Short-term maleic anhydride market might show downtrend.

### ➤ Forecast

Short-term UPR market is predicted to move range-bound.

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