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CONTENTS

Crude Oil

Influenced by varieties factors, short-term crude oil price is likely to be depressed further.

Ethylene

International Ethylene Price and Trend Chart

Propylene

Domestic propylene market price moved up slightly. It is expected that propylene market price will hold limited fluctuations and mainly keep consolidations in next week.

Butadiene

Butadiene market price moved down with fluctuations this week. It is predicted that butadiene market prices will keep narrow fluctuations with slight movements.

Styrene

Domestic styrene market price fluctuated at a high level this week. It is expected that styrene price will keep high with narrower rising range in next week.

Imports & Exports

Ethylene, Propylene, Butadiene and Styrene

Crude Oil

➤ Review & Analysis

This week, international crude oil price dropped continuously amid varieties of factors. As OPEC countries and non-OPEC countries held different opinions on production curtailment and OPEC outputs increased further, market players mostly maintained pessimistic expectations for production curtailment and adopted a wait-and-see approach. Besides, Russia held back on production curtailment and increased outputs continuously. Overall, crude oil future prices declined greatly this week. WTI average price was USD47.46/barrel, down 5.51% over last week and down 4.99% over last month, while Brent price ran at USD48.70/barrel, down 4.66% over last week and down 5.22% over last month.

In the supply side, a survey showed that OPEC daily crude oil output increased by 130,000 barrels to 33.82 million barrels in Oct.

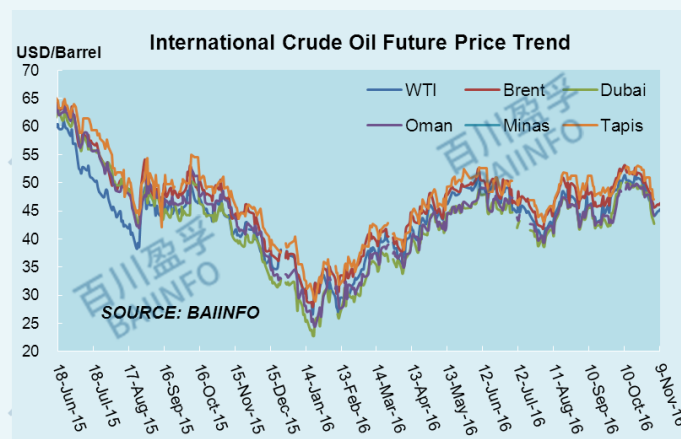
Daily output of Russian crude oil in Oct. reached 11.204 million barrels.

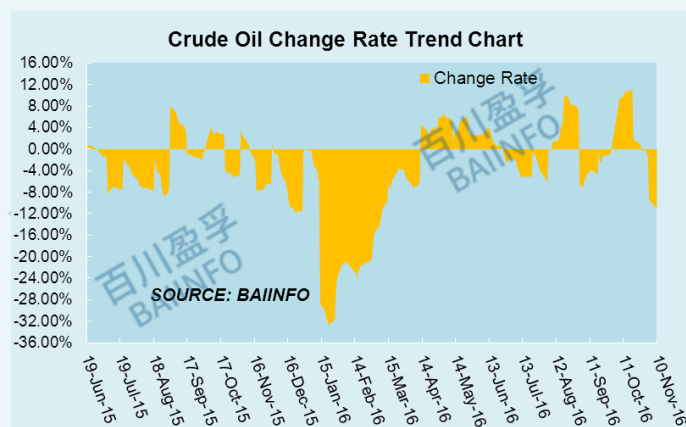
China's crude oil imports increased to 33.06 million tonnes in Sep., equivalent to 8.04 million barrels per day, up 18% year on year.

According to the data from EIA (Energy Information Administration), on Oct.28, US stocks increased by 14.4 million barrels to 482.58 million tonnes.

➤ Forecast

As OPEC conference about crude oil outputs of Iran and Iraq was in a stalemate and OPEC kept high crude oil outputs in Oct., market expectations for production curtailment were negative. Besides, US active drillings were increasing continuously, which also weighed on crude oil market. However, crude oil price is still supported by uncertainty of American presidential election. Overall, short-term crude oil price is likely to be depressed further if Saudi Arabia and other OPEC countries can't give a clear plan for production curtailment. WTI average price is expected to be USD44-46/barrel and Brent at USD46-48/barrel in next week.



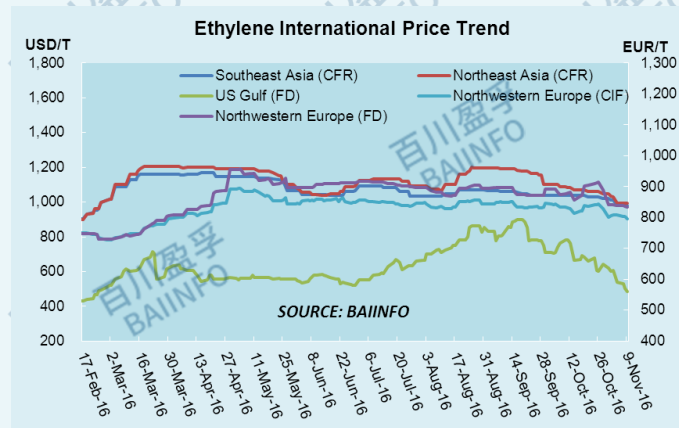


Date	WTI	Brent	Douri	150SN	500SN
9-Nov-2016	45.27	46.36	38.24	600	685
8-Nov-2016	44.98	46.04	38.87	600	685
7-Nov-2016	44.89	46.15	38.65	590	575
4-Nov-2016	44.07	45.58	38.72	590	575
3-Nov-2016	44.66	46.35	39.33	590	575
Oct-16	49.95	51.38	42.67	600	685
Sep-16	45.19	47.24	38.51	599	689
Aug-16	44.86	47.18	37.82	599	691
Jul-16	44.78	46.52	37.59	549	671
Jun-16	48.85	49.93	37.72	535	670
May-16	46.54	47.34	34.75	525	610
Apr-16	40.35	42.59	28.78	525	580
Mar-16	37.75	39.84	25.98	525	580
Feb-16	30.28	33.34	24.16	525	580
Jan-16	31.53	31.58	22.84	555.8	610.8
Dec-15	37.41	38.95	29.19	572.5	652.5
Nov-15	42.87	46.12	35.16	572.5	657.5
Oct-15	46.27	49.28	38.03	592.5	685
Sep-15	45.82	48.90	37.84	592.5	685
Aug-15	42.65	48.08	48.81	48.05	0.00
Jul-15	50.93	56.76	56.32	56.17	0.00
Jun-15	59.83	63.75	57.8	650	785.67
May-15	59.37	65.61	61.24	650	770
Apr-15	54.16	60.59	60.23	650	775
Mar-15	4.85	56.94	51.92	650	678
Feb-15	50.57	58.74	55.06	650	657
Jan-15	47.33	49.76	43.77	720	715

Notes: WTI- NYMEX first-month settlement price (USD/barrel), Brent-IPE first-month settlement price (USD/barrel), Douri-Singapore spot price (USD/barrel), 150SN/500SN-Singapore ex-tanks price (USD/barrel), “/” means no price.

[Back to the Top](#)

Ethylene



International Ethylene Price

Date	This Week	Week on Week	Month on Month	Unit
Southeast Asia (CFR)	980	-2.97%	-5.77%	USD/T
Northeast Asia (CFR)	995	-3.40%	-8.72%	USD/T
US Gulf (FD)	22	-20.38%	-36.69%	Cent/Pound
Northwestern Europe (FD)	831	-1.31%	-5.03%	EUR/T
Northwestern Europe (CIF)	904	-2.48%	-6.71%	USD/T

[Back to the Top](#)

Propylene

➤ Review&Analysis

In the market side, domestic propylene market prices moved up slightly with refineries raising prices by RMB 50-100/T, while forward prices dropped continuously. As polypropylene prices moved up greatly, prices of PP and propylene climbed up with better margins, leading stronger demand for propylene. However, propylene epoxide prices slumped continuously. Octanol prices fluctuated narrowly, thus refineries purchased propylene on a need-to basis. Propylene resources were expected to increase. Therefore, the rising range of propylene prices was limited and refineries adjusted prices due to their stocks. Recently, as Port Lianyungang and Port Rizhao were closed for a few days amid bad weather, arrival of imported cargoes was obstructed and some buyers switched to purchase domestic shipments, bringing some positive factors for domestic market to some extents. On Nov.3, mainstream price of propylene rose to RMB 6,850-6,950/T in Shandong.

In the international side, market prices of propylene in Europe, America and Asia slid down continuously. On Nov.2, the price was at USD 735/T in CFR Southeast Asia, down 5.77% than last week. The price was at USD 755/T in FOB Korea, down 5.63% than last week. The price was at USD 795/T in CFR China, down 4.79% than last week.

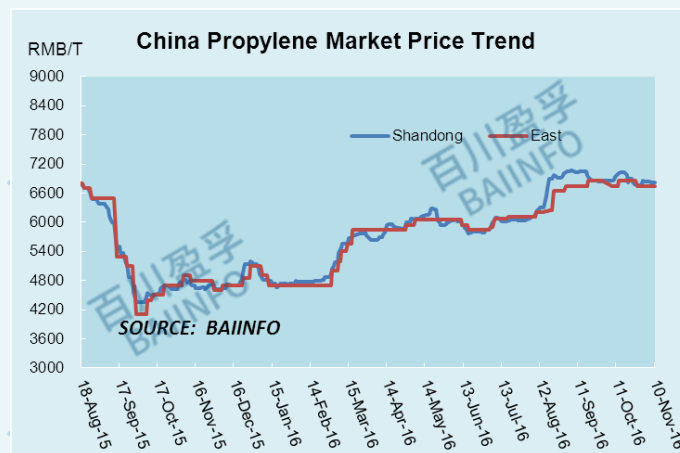
In the demand side, market prices of downstream products showed ups and downs. PP price moved up

continuously. Propylene epoxide market price remained down. Octanol price fluctuated narrowly. Downstream buyers purchased propylene on a need-to basis overall.

In the cost side, the price of naphtha went down, driving down the cost of propylene. International market prices of propylene declined, and the margins of propylene moved down.

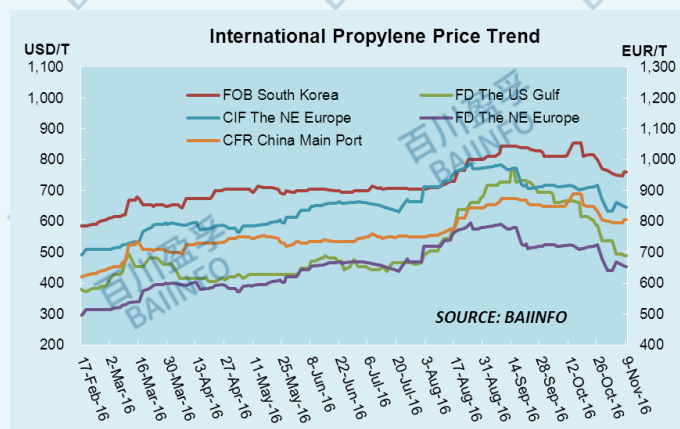
➤ **Forecast**

This week, propylene market price moved up slightly. Propylene resources were expected to increase. Downstream polypropylene price kept up and propylene epoxide price rallied weakly on Nov.3. Currently, supply-demand fundamentals were relatively good, but overall propylene demand was in a lull period and market players were mostly cautious. It is expected that propylene market price will hold limited fluctuations and mainly keep consolidations in next week.



China Propylene Market Price

Region	This Week	Week on Week	Month on Month	Unit
Shandong	6,815	-0.48%	-1.82%	RMB/T
East	6,750	0.00%	0.00%	RMB/T



International Propylene Price

Date	This Week	Week on Week	Month on Month	Unit
Southeast Asia (CFR)	725	-1.36%	-7.05%	USD/T
South Korea (FOB)	760	0.66%	-6.17%	USD/T
Japan (FOB)	745	-2.61%	-7.45%	USD/T
Taiwan of China (CFR)	795	-1.24%	-6.47%	USD/T
US Gulf (FD)	22	-9.28%	-26.05%	Cent/Pound
Northwestern Europe (FD)	654.5	2.03%	-9.03%	EUR/T
Northwestern Europe (CIF)	647	2.05%	-9.19%	EUR/T
China (CFR)	805	1.26%	-5.29%	USD/T

[Back to the Top](#)

Butadiene

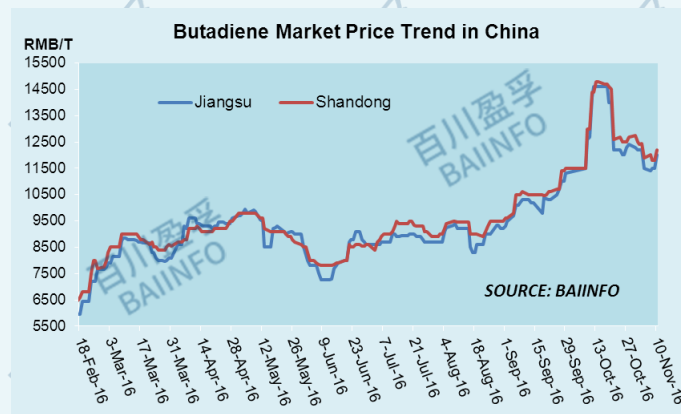
➤ *Review&Analysis*

Domestic butadiene market price moved down with fluctuations. Enterprises in Northeast China failed to ship butadiene cargoes as expected and held higher stocks. Downstream synthetic adhesive prices slid down continuously and enterprises held limited purchasing demand for butadiene. Buyers held back on high-priced resources and waited for price declines, which suppressed butadiene market price to some extents. Overall, butadiene deals were thin and shipments were ordinary. Traders were inactive in offers and maintained strong watching mood.

Inquiries for butadiene were thin in East China. Limited offers stood at RMB 12,350-12,450/T (arrival to East China). Market player mostly adopted a wait-and-see approach in Shandong. Some negotiation prices ran at RMB 12,000-12,200/T (arrival to Shandong).

➤ *Forecast*

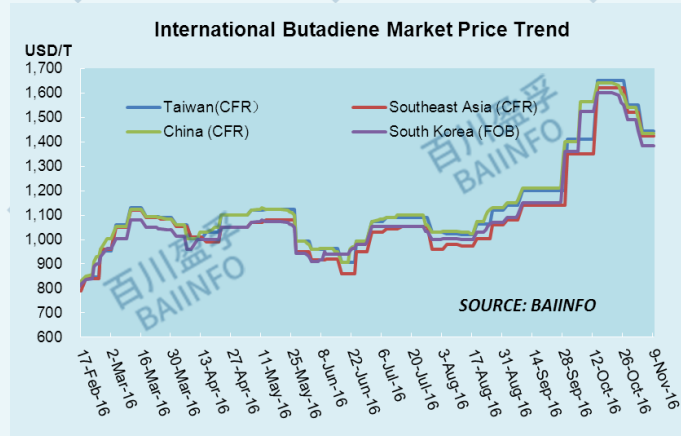
Butadiene market price moved down with fluctuations. Enterprises in Northeast China would hold higher butadiene stocks. Downstream market remained bearish and end-inquiries were common, hampering the hikes of butadiene market prices. It is predicted that butadiene market prices will keep narrow fluctuations with slight movements.



China Butadiene Market Price

Region	This Week	Week on Week	Month on Month	Unit
Shandong	12,000	-1.64%	-5.51%	RMB/T
Jiangsu	12,200	-2.01%	-6.15%	RMB/T

[Back to the Top](#)



International Butadiene Price

Date	This Week	Week on Week	Month on Month	Unit
CFR Taiwan of China	1,445	-6.77%	2.48%	USD/T
CFR Southeast China	1,425	-6.25%	5.56%	USD/T
CFR China	1,435	-4.01%	-8.31%	USD/T
FOB Korea	1,385	-4.15%	-9.18%	USD/T

[Back to the Top](#)

Styrene

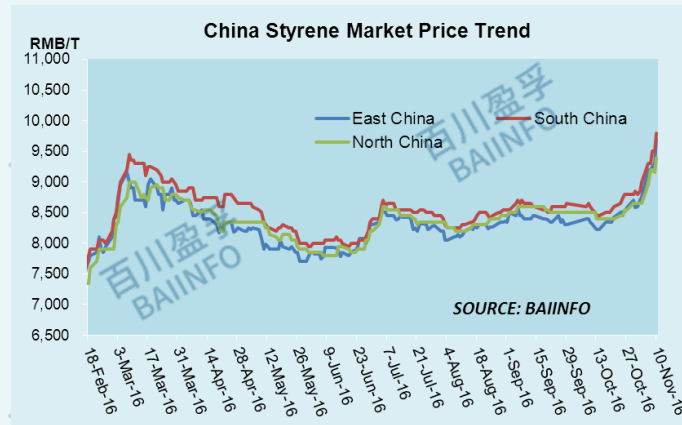
➤ *Review&Analysis*

This week, domestic styrene market price fluctuated at a high level. Benzene prices climbed up, while ethylene prices were low, bringing some cost supports. By the end of Oct., price hikes of styrene slowed down and enterprises mainly held stable shipments. Offers got more than before, but inquiries were cautious. Deals were fewer and styrene prices at ports in East China decreased by RMB 120/T. In order to reduce costs, more producers sold styrene products to downstream enterprises directly. Besides, styrene stocks at ports decreased continuously as imported cargoes were not delivered or offloaded on schedule. Styrene resources in some areas were still tight and it was hard to seek low-priced cargoes. As some downstream enterprises restarted units, styrene demand recovered gradually. Therefore, there are some positive factors for short-term styrene supply-demand fundamentals.

In the market side, market offers for styrene were limited in Guangdong. Imported cargoes were offered at about RMB 9,000/T (delivery from Guangzhou). Styrene market opened with higher prices in Jiangsu. Negotiation prices for spot cargoes were around RMB 8,730-8,760/T. Negotiation prices for late November-loadings were about RMB 8,820-9,000/T. Negotiation prices for late December-loadings stood at around RMB 8,750-8,800/T.

➤ Forecast

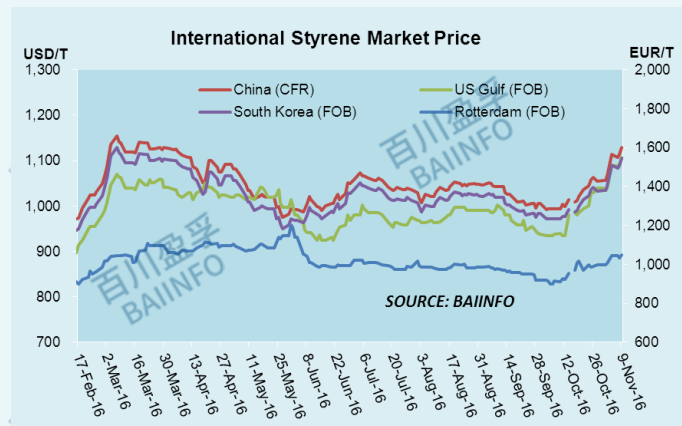
This week, styrene market price moved up at a high level. Main ports in East China held lower stocks and supply for styrene spots was tight. Styrene market hiked in Jiangsu and prices of downstream products were stable-to-up. As arrival dates of some imported cargoes were delayed at present, tight supply would be eased with the resources arriving later. Thus, buyers were cautious about price rise. It is expected that styrene price will keep high with narrower rising range in next week.



China Styrene Market Price

Date	This Week	Week on Week	Month on Month	Unit
East China	9,700	10.73%	16.17%	RMB/T
South China	9,800	8.89%	13.95%	RMB/T
North China	9,400	8.67%	10.59%	RMB/T

[Back to the Top](#)



International Styrene Price

Date	This Week	Week on Week	Month on Month	Unit
Rotterdam (FOB)	1,047	4.23%	14.68%	USD/T
China (CFR)	1,128.5	5.81%	13.65%	USD/T
US Gulf (FOB)	1,106.81	6.46%	18.10%	USD/T
South Korea (FOB)	1,104.5	5.74%	13.63%	USD/T

[Back to the Top](#)

Imports & Exports (Ethylene, Propylene, Butadiene and Styrene)

China's Ethylene Exp.& Imp. in Jan-Sep, 2016

Month	Imp. Qty (T)	Imp. Val (US\$)	Exp. Qty (T)	Exp. Val (US\$)
Jan	120,991	125,556,434	3	16,128
Feb	105,341	97,988,156	2	9,187
Mar	130,076	126,779,948	4	21,924
Apr	109,818	122,458,803	0	0
May	141,169	161,526,010	3	19,347
Jun	134,002	145,776,977	2,305	2,603,604
Jul	124,039	131,411,597	5	28,782
Aug	133,327	141,113,264	3,484	3,841,400
Sep	145,150	163,389,032	1	6,366
Total	1,143,913	1,216,000,221	5,806	6,546,738

China's Ethylene Exp.& Imp. by Countries/Regions in Sep., 2016

Country	Imp. Qty (T)	Imp. Val (US\$)	Exp. Qty (T)	Exp. Val (US\$)
South Korea	44,645	49,907,080	0	0
Japan	37,335	41,475,534	0	0
Italy	14,685	16,025,526	0	0
Iran	12,562	14,150,338	0	0
Brazil	12,171	13,710,153	0	0
Singapore	6,921	8,530,605	0	0
United Arab Emirates	6,902	8,113,233	0	0
Argentina	5,514	6,257,919	0	0
Indonesia	2,500	2,951,192	0	0
Malaysia	1,915	2,261,034	0	0
United States	0	6,418	0	0
Hong Kong of China	0	0	1	6,366
Total	145,150	163,389,032	1	6,366

[Back to the Top](#)

China's Propylene Exp.& Imp. in Jan-Sep, 2016

Month	Imp. Qty (T)	Imp. Val (US\$)	Exp. Qty (T)	Exp. Val (US\$)
Jan	153,256	96,550,253	0	0
Feb	202,509	122,756,849	6	17,584
Mar	242,050	155,437,301	0	0
Apr	253,507	179,619,925	3	9,954
May	245,445	179,872,133	0	0
Jun	249,700	187,749,197	0	0
Jul	256,372	191,873,719	0	0
Aug	208,106	158,167,999	10	20,000
Sep	232,873	188,468,387	0	0
Total	2,043,818	1,460,495,763	18	47,538

China's Propylene Exp.& Imp. by Countries/Regions in Sep., 2016

Country	Imp. Qty (T)	Imp. Val (US\$)	Exp. Qty (T)	Exp. Val (US\$)
South Korea	129,364	106,738,641	0	0
Taiwan of China	48,242	36,025,583	0	0
Japan	35,957	29,417,421	0	0
Philippines	15,287	12,748,966	0	0
Thailand	4,019	3,433,392	0	0
United States	2	104,384	0	0
Total	232,873	188,468,387	0	0

[Back to the Top](#)

China Butadiene Exp.& Imp. in Jan-Sep 2016

Month	Imp. Qty (T)	Imp. Val (US\$)	Exp. Qty (T)	Exp. Val (US\$)
Jan	16,214	12,394,417	0	0
Feb	11,768	8,745,430	0	0
Mar	28,822	25,875,677	0	0
Apr	13,170	14,161,392	0	0
May	54,031	56,171,465	25	51,000
Jun	15,544	16,373,207	0	0
Jul	22,089	22,575,361	0	0
Aug	22,730	24,335,176	0	0
Sep	35,112	38,207,841	0	0
Total	219,481	218,839,966	25	51,000

China Butadiene Exp.& Imp. by Countries/Regions in Sep., 2016

Country	Imp. Qty (T)	Imp. Val (US\$)	Exp. Qty (T)	Exp. Val (US\$)
Belgium	5,730	6,016,157	0	0
Iran	5,250	6,318,899	0	0
Italy	5,040	5,264,498	0	0
Indonesia	4,818	5,467,493	0	0
Brazil	3,590	3,662,243	0	0
India	2,396	2,607,578	0	0
France	2,362	2,503,550	0	0
Singapore	1,907	2,074,463	0	0
Taiwan of China	1,900	1,937,153	0	0
United States	1,500	1,647,769	0	0
Malaysia	419	493,012	0	0
South Korea	200	215,026	0	0
Total	35,112	38,207,841	0	0

[Back to the Top](#)

China Styrene Exp.& Imp. in Jan-Sep, 2016

Month	Imp. Qty (T)	Imp. Val (US\$)	Exp. Qty (T)	Exp. Val (US\$)
Jan	296,399	274,375,908	0	0
Feb	244,934	226,256,333	0	0
Mar	354,509	354,621,606	0	0
Apr	353,920	381,310,396	46	41,977
May	327,828	357,615,316	0	0
Jun	240,341	251,332,963	0	0
Jul	289,849	300,016,545	0	0
Aug	282,307	292,773,220	5	5,674
Sep	283,064	295,294,159	9	11,475
Total	2,673,150	2,733,596,446	60	59,126

China Styrene Exp.& Imp. by Countries/Regions in Sep., 2016

Country	Imp. Qty (T)	Imp. Val (US\$)	Exp. Qty (T)	Exp. Val (US\$)
South Korea	114,867	119,730,869	0	0
United States	48,762	50,952,203	0	0
Saudi Arabia	44,617	47,644,388	0	0
Taiwan of China	33,491	33,608,157	0	0
Kuwait	30,857	32,430,418	0	0
Singapore	10,451	10,888,287	0	0
Spain	16	27,198	0	0
Malaysia	2	5,520	0	0
Japan	1	5,030	0	0
Switzerland	0	1,932	0	0
Holland	0	157	0	0
North Korea	0	0	9	11,475
Total	283,064	295,294,159	9	11,475

[Back to the Top](#)

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