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TDI

➤ Market Overview

This week (Mar. 11-17, 2022), domestic TDI market ran down weakly. Logistics were curbed due to the resurgence of COVID-19. In Guangdong, Shandong and Hebei, demand for TDI was weakened so that downstream sponge plants performed inactively in producing. The overall demand was squeezed. Volume of export orders was also reduced due to the rising US dollar value. Actual orders were signed limitedly. Partial TDI enterprises showed stronger intention to deliver goods after catching profits with contradictions between supply and demand. Trading price declined slightly. As the settlement prices in North China and a plant in the north both moved up to RMB 9,600/T and TDI market was supported by earlier export orders, all TDI enterprises didn't hold inventory pressure. Some low offers were reduced supported by the bullish factors from supply side. As of Mar. 17, the negotiating price of domestic TDI market was around RMB 19,000-19,300/T, VAT included, while the negotiating price of TDI that was produced in Shanghai was around RMB 19,400-19,500/T.

TDI Price Changes (RMB/T)

This Week	Average Price (This Week)	Last Week	Average Price (Last Week)	WoW	MoM	QoQ	Year-to-date
19,200	19,240	19,400	19,220	-1.03%	-2.04%	25.49%	25.08%

TDI Price Trend (RMB/T)



➤ Demand

Orders from terminal furniture factories were less in quantity. Downstream sponge plants in many regions were under strict regulation and control on the pandemic so that they produced inactively. Sponge plants mainly consumed the inventory of raw materials amid low buying interest. Their demand for TDI was limited.

➤ Imp. & Exp.

Time	Import Volume (T)	Import Value (USD)	Export Volume (T)	Export Value (USD)
Jan-21	1,326	1,852,640	33,304	60,010,023
Feb-21	949	1,635,768	25,455	46,292,452
Mar-21	705	1,423,275	46,358	89,255,204
Apr-21	1,560	3,056,135	36,622	76,963,342
May-21	877	1,575,200	37,134	82,708,661
Jun-21	1,750	2,961,567	21,299	43,296,124
Jul-21	1,654	2,459,700	23,817	45,563,855
Aug-21	1,667	2,513,790	23,642	46,621,101
Sep-21	2,442	4,049,081	21,655	43,054,170
Oct-21	1,464	2,590,276	26,886	57,025,786
Nov-21	1,116	2,284,486	36,550	78,611,639
Dec-21	589	1,234,650	37,186	81,531,249
Jan-22	202	518,321	38,288	80,694,551
Feb-22	1,218	2,278,597	16,960	35,741,767

➤ Forecast

All TDI plants don't hold supply pressure, and they provide offers at high level. Suppliers still keep the prices firm. Logistics are curbed due to the pandemic so that TDI market stays stagnant during the peak season in Mar. Downstream enterprises produce inactively, suppressing the demand for TDI. With the contradictions between supply and demand, TDI market is hard to see ups and downs. Next week, domestic TDI market price is predicted to adjust slightly, with the adjustment range around RMB 200-500/T.

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Upstream Market

Methylbenzene

➤ Market Overview

Domestic methylbenzene market dropped hugely. In East China, methylbenzene market price plunged this week, up 15.84% MoM. In South China, the price fluctuated down, up 12.45% MoM. In North China, the price plummeted, up 10.00% MoM. The overall methylbenzene market price retreated over last week under pressure. As crude oil price ran down from high level and transportation was blocked due to the outbreak of COVID-19 pandemic, traders performed cautiously in purchasing.

Methylbenzene Price Changes (RMB/T)

Regions	This Week	Average Price (This Week)	Last Week	Average Price (Last Week)	MoM	QoQ	Year-to-date
East China	7,680	7,698	8,160	8,230	15.84%	38.63%	35.33%
South China	7,450	7,619	8,275	8,170	12.45%	31.86%	31.86%
North China	7,700	7,850	8,300	8,300	10.00%	36.28%	41.94%

Commercial crude oil inventory in the United States ascended, dragging down crude oil prices, thus the support for methylbenzene market was limited. Methylbenzene was delivered at ports within this week, but the demand exceeded the supply. Therefore, methylbenzene inventory descended largely at the ports in East China. Currently, Cost side went down from high level. Total inventory at ports also stayed high. Traders saw methylbenzene market to be bearish, because the market was badly influenced by the pandemic. Short-term methylbenzene price was hard to ramp up. As of Mar. 17, offers in late Mar. were at RMB 7,550/T.

Methylbenzene Price Trend (RMB/T)



➤ Forecast

This week, domestic methylbenzene market fell from high level. Next week, the price may be hard to climb, with adjustment range around RMB 100-300/T. Generally, crude oil price is more likely to fluctuate sharply, and international crude oil price next week is expected to hover largely. Traders see the market to be bearish amid serious pandemic situation. Methylbenzene market price is hard to move up, staying around RMB 7,200-7,900/T.

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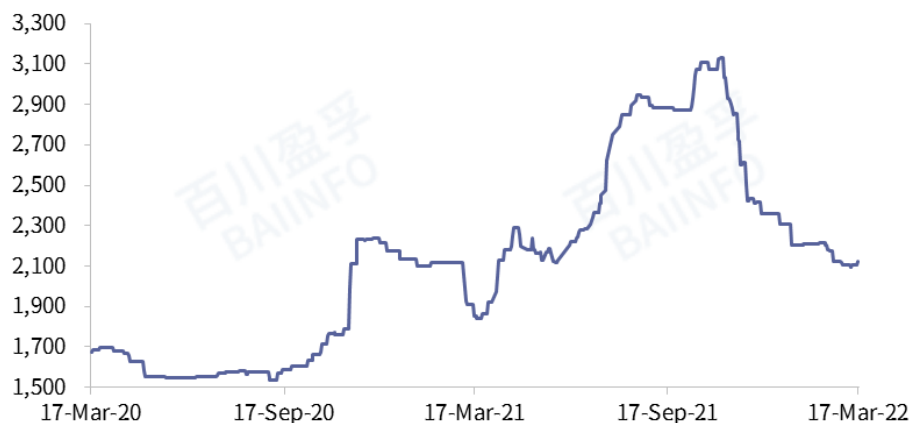
Nitric Acid

➤ Market Overview

This week, nitric acid market price was adjusted individually, and supply was growing rapidly. On cost side, liquid ammonia price oscillated largely impacted by downstream demand, driving up nitric acid slightly in some regions. On Mar. 17, average price of high-concentration nitric acid was at RMB 2,125, up 1.38% WoW. Demand for nitric acid was restrained due to the resurgence of the pandemic nationwide. In addition, trading performance was weakened by blocked transportation. In East China, nitric acid enterprises kept supply-demand balance. As liquid ammonia price soared

on cost side, nitric acid enterprises intended to adjust the prices next week. As of Mar. 17, mainstream nitric acid price was around RMB 1,900-2,100/T. Trading orders were still made flexibly.

Nitric Acid Price Trend (RMB/T)



➤ **Forecast**

As feedstock prices scale up and downstream enterprises improve operation rate, nitric acid enterprises perform more actively in producing. Nitric acid enterprises may raise the prices. Next week, nitric acid price may be pushed up by above RMB 100/T. Feedstock prices and the situations of the pandemic in all regions need further attention.

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Liquid Chlorine

➤ **Market Overview**

This week, operation rate of chlor-alkali plants in some regions decreased under shipment pressure.

Liquid Chlorine Changes (RMB/T)

This Week	Average Price (This Week)	Last Week	Average Price (Last Week)	MoM	QoQ	Year-to-date
1,119.00	1,266.00	1,435.00	1,436.60	30.24%	-21.03%	-5.97%

Liquid Chlorine Price Trend (RMB/T)



➤ Forecast

Shipment of liquid chlorine and the operation rate from both upstream and downstream plants are badly impacted by the pandemic. Liquid chlorine price moves sideways at low level amid a stagnant market. In the short run, transportation may not recover due to public health events. Transportation and the operation rate from both upstream and downstream market need further attention. In the north, delivery price of liquid chlorine may be around RMB 500-1,000/T (in cans). In the south, liquid chlorine market price is predicted to be around RMB 1,000-1,500/T.

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Downstream Market

Soft-foam Polyether

➤ Market Overview

This week, domestic soft-foam polyether market plunged, following the plummeting propylene oxide price from cost side. On raw material side, new offers of propylene oxide in Shandong were around RMB 12,200-12,300/T as of Mar. 17. As crude oil price declined from the top and logistics in some regions were curbed due to the resurgence of the pandemic, downstream demand for polyether stayed lukewarm. Hence, polyether market showed downtrend. Polyether plants hold shipment pressure.

Soft-foam Polyether Price Changes (RMB/T)

Regions	This Week	Last Week	Changes
East China	12,100	13,300	-1,200
South China	12,200	13,400	-1,200
North China	11,800	13,050	-1,250

In addition, individual polyether devices shut down or reduced operation load. Polyether plants only provided offers, but actual orders were scarcely made. Meanwhile, polyether markets in East

and South China were less influenced by the pandemic so that the plants and middlemen delivered goods normally with relatively stable prices. Therefore, polyether prices differed largely between the south and the north.

➤ Forecast

Both supply and demand sides of polyether market are suppressed by the COVID-19 pandemic. In addition, individual polyether plants in Shandong shut down or reduce operation load due to the pandemic. Moreover, the influence caused by the pandemic is still persistent. In the short run, soft-foam polyether market shows weakness. The situations of the pandemic and supply-demand pattern need further attention. Price adjustment range of soft-foam polyether market may be around RMB 300-500/T.

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Elastomer Polyether

➤ Market Overview

In North China: On Mar. 17, elastomer polyether market price was sluggish. On Mar. 16, propylene oxide price in Shandong was around RMB 11,200-11,300/T. Midstream and downstream plants still held inventory of raw materials to consume so that they didn't have to replenish based on rigid demand. However, Shandong, the main producing area of propylene oxide and polyether, was under strict regulation and control due to the pandemic. Thus, operation rate slowed down once again. The recovery of operation rate and shipment condition needed further attention. Polyether enterprises mostly performed actively in shipping. Short-term polyether market may hover slightly. As of Mar. 17, mainstream negotiating price of elastomer polyether was around RMB 12,400-12,800/T, cash payment, without package.

Elastomer Polyether (Elastomer 220) Price Changes (RMB/T)

Regions	This Week	Last Week	Changes
East China	13,500	14,400	-900
North China	12,600	13,600	-1,000

In East China: On Mar. 17, elastomer polyether market price was sluggish. On Mar. 16, propylene oxide price in Shandong was around RMB 11,200-11,300/T. Downstream furniture factories showed sluggish demand. In addition, all regions were under strict regulation and control policies. On supply side, although partial polyether and propylene oxide devices reduced operation load, the overall operation rate stayed higher over that of last year, and the plants held some inventory. Orders' delivery and purchasing condition of new orders needed further attention. Short-term polyether market may move sideways slightly. As of Mar. 17, mainstream negotiating price of polyether market was around RMB 13,300-13,700/T, EXW, cash payment, in barrels.

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