

18 Nov 2016

Weekly Analysis



China PET Market

General Outlook

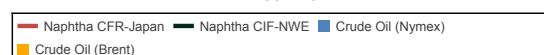
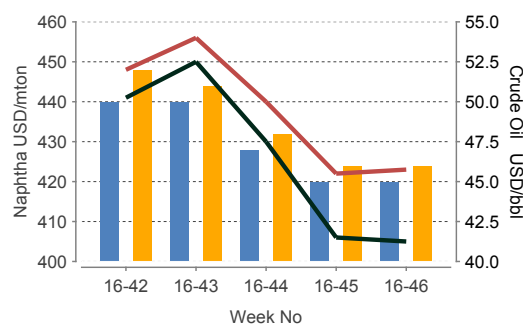
Another round of modest gains in China's PET market

In China, both import and local PET prices witnessed another round of modest hikes over the past week. Despite posting a weekly decrease of around \$15/ton, spot MEG prices continued to support the market as they remained \$35/ton above the initial November levels. The overall range for export PET prices was reported at \$860-885/ton on an FOB China, cash equivalent basis. The range indicated increases of \$5-10/ton when compared to last week. Demand was reported to be mediocre since Chinese exporters continued to face stiff competition from Indian and Middle Eastern PET offers standing at attractive levels. "PTA futures registered some decreases this week while spot MEG is not as strong as it was last week. We are closely watching upstream developments to have a clearer idea about the near term outlook," a trader commented. Export prices from South Korea were mostly unchanged from a week earlier to be pegged at \$870/ton on an FOB Busan, cash basis while a few players also pronounced the \$880/ton FOB levels. A source from a South Korean producer said, "Demand is mostly steady from last week. Hence, we elected to maintain our offer levels." Inside China, local PET prices witnessed increases of around \$7-44/ton during the week. Supplies remained slightly tight while demand was defined as steady to slightly weak by local players. "Buyers are limiting their purchases according to their immediate needs, believing that the PET market has already hit its peak level," a trader commented.

Players mainly concur that the near term PET trend is depending on upstream developments as the market may shift direction if MEG prices fail to sustain their firm levels. In the upstream markets, spot PTA prices were down by \$10/ton on a weekly basis to reach \$600/ton CFR China while MEG prices also decreased by around \$15/ton to be quoted at \$725/ton with the same terms.

Feedstocks & Monomers

Week No	Feedstocks			
	Crude Oil (Nymex) USD/bbl	Crude Oil (Brent) USD/bbl	Naphtha CFR-Japan	Naphtha CIF-NWE
16-46	45	46	423	405
16-45	45	46	422	406
16-44	47	48	440	430
16-43	50	51	456	450
16-42	50	52	448	441



Weekly Average Paraxylene			
Week No	FOB-USG	FOB-NWE	FOB-Korea
16-46	▲ 740	▲ 710	▲ 780
16-45	730	700	770
16-44	740	700	780
16-43	740	710	780
16-42	740	700	780

Note: Indicative prices are given based on latest available figures. Prices are translated to USD/mton and with the exception of naphtha have been rounded to the nearest ten. Crude and naphtha prices represent weekly averages up to the date of publication.

Abbreviations: NWE: Northwest Europe, USG: United States Gulf, FEA: Far East Asia

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Weekly Price Changes

China

Local

Product	Duties	2016 - Week 46			2016 - Week 45			2016 - Week 44		
		Chg Low	Price Range (USD/mton)	Chg High	Chg Low	Price Range (USD/mton)	Chg High	Chg Low	Price Range (USD/mton)	Chg High
PET Bottle		▲ 31	861-899	▼ -1	▼ -4	830-900	▲ 28	▼ -12	834-872	▼ -6
China		▲ 31	861-899	▼ -1	▼ -4	830-900	▲ 28	▼ -12	834-872	▼ -6

Export

Product	Duties	2016 - Week 46			2016 - Week 45			2016 - Week 44		
		Chg Low	Price Range (USD/mton)	Chg High	Chg Low	Price Range (USD/mton)	Chg High	Chg Low	Price Range (USD/mton)	Chg High
PET Bottle		▲ 10	860-885	▲ 5	▲ 5	850-880	0	0	845-880	▲ 10
China		▲ 10	860-885	▲ 5	▲ 5	850-880	0	0	845-880	▲ 10

South Korea

Export

Product	Duties	2016 - Week 46			2016 - Week 45			2016 - Week 44		
		Chg Low	Price Range (USD/mton)	Chg High	Chg Low	Price Range (USD/mton)	Chg High	Chg Low	Price Range (USD/mton)	Chg High
PET Bottle		▼ -5	870-870	▼ -5	▲ 10	875-875	▲ 10	0	865-865	0
Korea (South)		▼ -5	870-870	▼ -5	▲ 10	875-875	▲ 10	0	865-865	0